



Control Number: 48785



Item Number: 105

Addendum StartPage: 0

SOAH DOCKET NO. 473-19-1265  
PUC DOCKET NO. 48785

2019 JAN 18 PM 1:33

JOINT APPLICATION OF ONCOR  
ELECTRIC DELIVERY COMPANY  
LLC, AEP TEXAS INC., AND LCRA  
TRANSMISSION SERVICES  
CORPORATION TO AMEND THEIR  
CERTIFICATES OF CONVENIENCE  
AND NECESSITY FOR 345-KV  
TRANSMISSION LINES IN PECOS,  
REEVES, AND WARD COUNTIES,  
TEXAS (SAND LAKE TO SOLSTICE  
AND BAKERSFIELD TO SOLSTICE)

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S OBJECTIONS TO AND MOTION TO STRIKE  
PORTIONS OF INTERVENOR DIRECT TESTIMONY

COMES NOW the Commission Staff of the Public Utility Commission of Texas (Commission) and files these Objections to and Motion to Strike Portions of Intervenor Direct Testimony. Commission Staff objects to portions of the intervenors' direct testimony on the grounds that such portions are not relevant and accordingly requests that the identified portions be stricken. In support thereof, Commission Staff states the following:

I. Summary of Commission Staff's Objections and Motion to Strike

Commission Staff moves that portions of certain intervenors' direct testimony regarding (1) electromagnetic fields and associated health concerns, (2) anticipated future uses of property or diminution in property values, and (3) construction-related transmission outages be stricken. With regards to electromagnetic fields, expert testimony is required, and none of the intervenor witnesses have the "knowledge, skill, experience, training, or education" to testify as an expert on the alleged health effects of electromagnetic fields.<sup>1</sup> Regarding the anticipated future uses of property and potential diminution in property values, these are not relevant considerations in

<sup>1</sup> Tex. R. Civ. Evid. 702. The Commission's procedural rules incorporate the evidentiary standards of the Texas Rules of Evidence in contested cases such as transmission line cases. See 16 Tex. Admin. Code § 22.221(a) (TAC) ("The Texas Rules of Civil Evidence as applied in nonjury civil cases in the courts of Texas shall be followed in contested cases."); 16 TAC § 22.2(16) (defining contested case).

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approving or routing a proposed transmission line. Nothing in the Public Utility Regulatory Act<sup>2</sup> (PURA) or the Commission's substantive rules list diminution in property values or future use as factors to be considered by the Commission.<sup>3</sup> Further, future use of property and property development is speculative as it may or may not occur and cannot be a factor in locating a transmission line. With regard to outages and construction delays, expert testimony is required, and none of the intervenor witnesses have the "knowledge, skill, experience, training, or education" to testify as an expert on alleged outages and construction delays.<sup>4</sup> Thus, Commission Staff requests that the portions of the intervenors' direct testimony that relate to electromagnetic fields and associated health concerns, future uses of property, diminution in property values, or construction-related outages be stricken.

## II. Testimony to be Stricken

Commission Staff respectfully requests that the intervenor direct testimony listed in the following table be stricken. Commission Staff has also attached redlined copies of the objectionable direct testimony.

<b>Intervenor Witness</b>	<b>Direct Testimony to be Stricken</b>	<b>Subject Matter</b>	<b>Basis for Staff's Request to Strike</b>
Alan Zeman	5:16-17 (a – property)	Potential diminution in property values	Not relevant
	5:23-25 (I – line)	Health concerns related to power line proximity	Expert testimony required and witness not qualified to give an expert opinion
	6:29-31 (We – lands)	Future use	Not relevant

<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (PURA).

<sup>3</sup> See PURA § 37.056(c)(1)-(4) and 16 TAC § 25.101(b)(3)(B)(i)-(iv) for factors considered by the Commission in determining the appropriate route for a transmission line. See also *Dunn v. Pub. Util. Comm'n of Tex.*, 246 S.W.3d 788, 795 (Tex. App.—Austin 2008, no pet.) ("The plain language of the rule [16 TAC § 25.101] grants the PUC authority to consider and weigh a variety of factors – engineering constraints, costs, grid reliability, and security, along with the criteria in PURA section 37.056 – in addition to use of existing rights-of-way in determining the most reasonable route for a transmission line.").

<sup>4</sup> Tex. R. Civ. Evid. 702.

	7:28-32 (I – value)	Health concerns related to electromagnetic field (EMF); potential diminution in property values	Expert testimony required and witness not qualified to give an expert opinion; not relevant
Forrister Generation-Skipping Trust	5:12-13 (a – properties)	Potential diminution in property values	Not relevant
	5:20-22 (I – line)	Heath concerns related to power line proximity	Expert testimony required and witness not qualified to give an expert opinion
	6:9 (and – drilled)	Future use	Not relevant - Adds oil wells, question was gas wells.
	6:22-24 (Yes – impacted)	Future use	Not relevant
	7:11-12 (It – soon)	Future use	Speculative
	7:31-36 (I – values)	Health concerns related to EMF; potential diminution in property values	Expert testimony required and witness not qualified to give an expert opinion; not relevant
	8:6-7 (My – plan)	Future use	Not relevant
Gale and Dorothy Smith	5:16-17 (a – property)	Potential diminution in property values	Not relevant
	5:24-26 (We – line)	Heath concerns related to power line proximity	Expert testimony required and witnesses not qualified to give an expert opinion
	7:34-8:2 (We – value)	Health concerns related to EMF;	Expert testimony required and

		potential diminution in property values	witnesses not qualified to give an expert opinion; not relevant
Terry Burkes (COG Operating LLC)	11:14-15 (The – J1)	Future use	Not relevant
	Running objection to all references to link J1 throughout testimony, including references in figures and attachments, except the reference located at 14:2.	Future use	Not relevant
	13:4-5 (and - locations)	Future use	Not relevant
	13:6 (and - field)	Future use	Not relevant
	14:2-4 (but – concern)	Future use	Not relevant
	16:19 (and future)	Future use	Not relevant
	17:3 (and planned)	Future use	Not relevant
Albert Mendoza – Sand Lake to Solstice Portion (Oxy)	6:3-4 (Right-of-way – leases)	Future use	Not relevant
	6:24-29 (Yes – Oxy)	Potential outages	Speculative
	7:1-7 (Yes – impact)	Future use	Not relevant
	7:26 – 8:12 (Yes– production)	Future use, potential diminution in property values	Not relevant

	9:12-10:5 (In - opportunities)	Potential diminution in property values	Not relevant
	11:12-12:2 (and - opportunities)	Future use, potential diminution in property values	Not relevant
	12:9-10 (and – activities)	Future use	Not relevant
	14:14-15:4 (and – opportunities)	Future use, potential diminution in property values	Not relevant
	15:8-10 (Not – activities)	Future use	Not relevant
	17:8-9 (and ongoing – area)	Future use	Not relevant
	18:8-14 (Additionally – opportunities)	Future use, potential diminution in property values	Not relevant
	19:8-10 (and allow – activities)	Future use	Not relevant
	20:7-8 (and – activities)	Future use	Not relevant
	21:10-14 (and – opportunities)	Future use, potential diminution in property values	Not relevant
	22:7-8 (Additionally – activities)	Future use	Not relevant
Albert Mendoza – Bakersfield to Solstice Portion (Oxy)	5:5-6 (Right-of-way – leases)	Future use	Not relevant
	5:26-6:2 (Yes – operations)	Potential outages	Speculation

	6:5 - 9 (Yes – impact)	Future use	Not relevant
	6:28 – 7:14 (Yes – production)	Future use, potential diminution in property values	Not relevant
	11:12 (and – links)	Future use	Not relevant
	11:15-17 (because – areas)	Future use	Not relevant

### III. Argument

#### A. None of the intervenor witnesses are qualified to provide expert testimony on the alleged health effects of electromagnetic fields

Expert testimony is required on the issue of whether electromagnetic fields cause any health issues.<sup>5</sup> As it relates to expert testimony, Rule 702 of the Texas Rules of Evidence states:

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if the expert's scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue.<sup>6</sup>

Texas courts affirm that, “The evaluation of an expert’s qualifications entails a two-step inquiry: first, whether the witness possesses sufficient background in a particular field, and second, whether that background goes to the matter on which the witness is to give an opinion.”<sup>7</sup>

In this proceeding, many of the intervenors identified in the table above have statements in their direct testimony regarding the alleged health effects of proximity to electric transmission lines and exposure to electromagnetic fields. None of these intervenor witnesses are qualified to

<sup>5</sup> See generally *Coastal Tankships, U.S.A., Inc. v. Anderson*, 87 S.W.3d 591, 603-04 (Tex. App.—Houston [1st Dist.] 2002, pet. denied) (requiring expert testimony on the issue of whether exposure to the chemical naphtha caused plaintiff’s bronchiolitis obliterans organizing pneumonia); *Hernandez v. Tex. Employers Ins. Ass’n*, 783 S.W.2d 250, 252-53 (Tex. App.—Corpus Christi 1989, no writ) (requiring expert testimony to determine the cause of asthma); and *Ill. Employers Ins. of Wausau v. Wilson*, 620 S.W.2d 169, 172 (Tex. Civ. App.—Tyler 1981, writ ref’d n.r.e.) (holding that lay testimony was insufficient to connect injury to particular infection).

<sup>6</sup> Tex. R. Civ. Evid. 702.

<sup>7</sup> *Jessop v. State*, 368 S.W.3d 653, 689 (Tex. Crim. App. 2012). See also *E.I. du Pont de Nemours and Co. v. C.R. Robinson*, 923 S.W.2d 549, 556 (Tex. 1995); *Daubert v. Merrell Dow Pharmaceuticals*, 509 U.S. 579, 589-90 (1993).

provide expert testimony on whether exposure to electromagnetic fields has a causal effect on health. None of these intervenor witnesses have demonstrated that they have a sufficient background in the field of electromagnetic fields to make such statements. Accordingly, these intervenor witnesses are not qualified to provide expert testimony, and Commission Staff requests that the portions of their direct testimony that relate to the alleged health effects of exposure to electromagnetic fields be stricken.

**B. Testimony regarding future uses and testimony regarding the potential diminution in property values are not relevant to this transmission line proceeding**

Evidence is relevant if it has “any tendency to make a fact more or less probable than it would be without the evidence” and “the fact is of consequence in determining the action.”<sup>8</sup> This ensures that parties are able “to obtain the fullest knowledge of the facts and issues prior to trial.”<sup>9</sup> “To determine relevancy, the court must look at the purpose for offering the evidence. There must be some logical connection either directly or by inference between the fact offered and the fact to be proved.”<sup>10</sup>

The Commission has previously held that “future developments and plans are too indefinite as to where or how potential routing areas will be affected and, as such, are irrelevant to the Commission’s decision.”<sup>11</sup> Similarly, the alleged devaluation of property is normally taken up in a condemnation proceeding, which is the single issue that the Commission has directed not to be addressed in this case.<sup>12</sup>

The relevant legal standards in this transmission line proceeding are provided by PURA and the Commission’s substantive rules, which list the requirements for approval of an application and route for a proposed transmission line. “To approve an application to obtain or amend a CCN [certificate of convenience and necessity], the PUC must find that the proposed CCN is necessary

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<sup>8</sup> Tex. R. Civ. Evid. 401(a)-(b).

<sup>9</sup> *Axelson, Inc. v. McIlhany*, 798 S.W.2d 550, 553 (Tex. 1990).

<sup>10</sup> *Rhey v. Redic*, 408 S.W.3d 440, 460 (Tex. App.—El Paso 2013, no pet.).

<sup>11</sup> *Application of LCRA Transmission Services Corporation to Amend Its Certificate of Convenience and Necessity for a 138-kV Transmission Line in Kendall and Bexar Counties*, Docket No. 29684, Order on Rehearing at 4 (Mar. 22, 2006).

<sup>12</sup> Order of Referral and Preliminary Order at 6.

for the service, accommodation, convenience, or safety of the public.”<sup>13</sup> PURA lists the following factors that are to be considered by the Commission in determining whether to approve a CCN application:

(c) The commission shall grant each certificate on a nondiscriminatory basis after considering:

- (1) the adequacy of existing service;
- (2) the need for additional service;
- (3) the effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate area; and
- (4) other factors, such as:
  - (A) community values;
  - (B) recreational and park areas;
  - (C) historical and aesthetic values;
  - (D) environmental integrity;
  - (E) the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted; and
  - (F) to the extent applicable, the effect of granting the certificate on the ability of this state to meet the goal established by Section 39.904(a) [relating to renewable energy] of this title.<sup>14</sup>

The Commission’s substantive rules list the factors that the Commission must consider in determining the appropriate route for a proposed transmission line. The relevant portion of the Commission’s substantive rules states:

(B) Routing: An application for a new transmission line shall address the criteria in PURA §37.056(c) and considering those criteria, engineering constraints, and costs, the line shall be routed to the extent reasonable to moderate the impact on the affected community and landowners unless grid reliability and security dictate otherwise. The following factors shall be considered in the selection of the utility’s alternative routes unless a route is agreed to by the utility, the landowners whose property is crossed by the proposed line, and owners of land that contains a habitable structure within 300 feet of the centerline of a transmission project of 230 kV or less, or within 500 feet of the centerline of a transmission project greater than 230 kV, and otherwise conforms to the criteria in PURA §37.056(c):

- (i) whether the routes utilize existing compatible rights-of-way, including the use of vacant positions on existing multiple-circuit transmission lines;

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<sup>13</sup> *Dunn v. Pub. Util. Comm’n of Tex.*, 246 S.W.3d 788, 791 (Tex. App.—Austin 2008, no pet.) (internal quotations omitted).

<sup>14</sup> PURA §§ 37.056(c)(1)-(4).

- (ii) whether the routes parallel existing compatible rights-of-way, including roads, highways, railroads, or telephone utility rights-of-way;
- (iii) whether the routes parallel property lines or other natural or cultural features; and
- (iv) whether the routes conform with the policy of prudent avoidance.<sup>15</sup>

In this proceeding, many of the intervenors identified in the table above have statements in their testimony regarding the future uses of affected property and the potential diminution in property values that would potentially result from the construction of an overhead transmission line. As previously noted, PURA and the Commission's substantive rules list the factors that must be considered by the Commission in determining whether to approve a transmission line application and in determining the appropriate route for a proposed transmission line. Nothing in the express text of PURA or the Commission's substantive rules list the future uses or potential diminution in property values as factors that must be considered by the Commission in a transmission line proceeding. Accordingly, testimony regarding future uses of property or the potential diminution in property values is not relevant in this transmission line proceeding, and Commission Staff requests that such testimony be stricken.

**C. Speculative statements are inadmissible because they are not backed by the introduction of sufficient evidence to support that the declarant has personal knowledge or expertise in the subject matter.**

Mr. Mendoza's speculative opinions fail to meet the requirements of Rule 701 of the Texas Rules of Evidence which states:

If a witness is not testifying as an expert, testimony in the form of an opinion is limited to one that is:

- (a) rationally based on the witness's perception; and
- (b) helpful to clearly understanding the witness's testimony or to determining a fact in issue.

Oxy has not introduced any evidence suggesting that Mr. Mendoza has personal knowledge of the construction process of transmission lines and the impact that process has on other transmission and distribution facilities.

Nor has Oxy introduced sufficient evidence to qualify Mr. Mendoza as an expert in transmission construction. As it relates to expert testimony, Rule 702 of the Texas Rules of

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<sup>15</sup> 16 TAC § 25.101(b)(3)(B)(i)-(iv).

Evidence states:

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if the expert's scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue.<sup>16</sup>

"The evaluation of an expert's qualifications entails a two-step inquiry: first, whether the witness possesses sufficient background in a particular field, and second, whether that background goes to the matter on which the witness is to give an opinion."<sup>17</sup> No evidence has been presented suggesting that Mr. Mendoza has any background in construction-related transmission or distribution outages. He is simply described as a "Manager, Energy" without any explanation as to what that title means.<sup>18</sup>

#### IV. Conclusion

The portions of the intervenors' direct testimony identified in these objections and motion to strike should be stricken because either (1) the intervenors are not qualified to provide expert testimony on the alleged health effects of exposure to electromagnetic fields from electric transmission lines, (2) the testimony regarding future uses of affected property or the potential diminution in property values is not relevant to this transmission line proceeding, or (3) the testimony regarding construction-related transmission outages is improper speculation. Therefore, Commission Staff respectfully requests that its Objections and Motion to Strike be sustained and granted, and accordingly that the identified portions of the intervenors' direct testimony be stricken. In the alternative, if the Administrative Law Judge (ALJ) finds these portions of direct testimony to be general statements of concerns reflecting community values and declines to strike them, Commission Staff requests that the ALJ accord such testimony the appropriate weight.

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<sup>16</sup> Tex. R. Civ. Evid. 702.

<sup>17</sup> *Jessop v. State*, 368 S.W.3d 653, 689 (Tex. Crim. App. 2012). See also *E.I. du Pont de Nemours and Co. v. C.R. Robinson*, 923 S.W.2d 549, 556 (Tex. 1995) and *Daubert v. Merrell Dow Pharmaceuticals*, 509 U.S. 579, 589-90 (1993).

<sup>18</sup> Direct Testimony of Albert Mendoza (Sand Lake to Solstice portion) at 1.

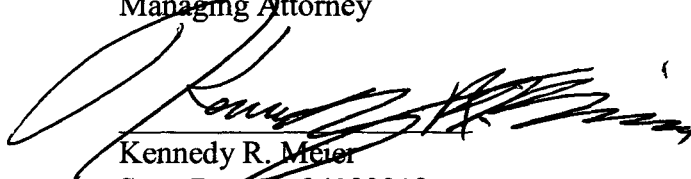
**DATED:** January 18, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney

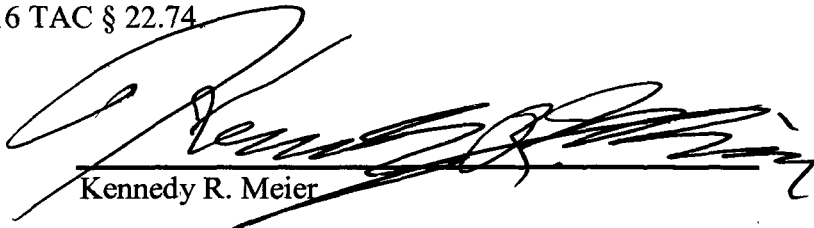


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**SOAH CONSOLIDATED DOCKET NO. 473-19-1265  
PUC CONSOLIDATED DOCKET NO. 48785**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on January 18, 2019, in accordance with 16 TAC § 22.74.



Kennedy R. Meier

APPLICATION OF ONCOR § BEFORE THE STATE OFFICE  
ELECTRIC DELIVERY §  
COMPANY LLC, AEP TEXAS §  
INC., AND LCRA TRANSMISSION §  
SERVICES CORPORATION TO §  
AMEND THEIR CERTIFICATES § OF  
OF CONVENIENCE AND §  
NECESSITY FOR 345-KV §  
TRANSMISSION LINES IN §  
PECOS, REEVES, AND WARD §  
COUNTIES, TEXAS (SAND LAKE §  
TO SOLSTICE AND § ADMINISTRATIVE HEARINGS  
BAKERSFIELD TO SOLSTICE)

Intervenor Alan Zeman (“Zeman”) files this Direct Testimony, which is attached. Zeman stipulates that this Direct Testimony can be treated by all parties as if the answers were filed under oath.

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**ATTORNEYS FOR ALAN ZEMAN**

1  
2 **II. PURPOSE AND SCOPE OF TESTIMONY**  
3

4 QUESTION: WHAT IS THE PURPOSE AND SCOPE OF YOUR TESTIMONY?  
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6 ANSWER: The purpose of my testimony is to (a) describe my property; (b) describe the  
7 expected impact of the proposed transmission line on my property; (c) voice my opposition  
8 to any Route using Segment C-1 and proposed alternate Routes 370 and 404; and voice my  
9 support for Oncor & AEP's Sand Lake to Solstice recommended Route 320.

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11 QUESTION: WHAT ARE YOUR CONCERNS ABOUT THE PROPOSED  
12 TRANSMISSION LINE USING ONCOR & AEP'S ALTERNATE ROUTES 370 AND  
13 404 AND SEGMENT C-1?  
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15 ANSWER: In general, I am opposed to the construction of Oncor & AEP's transmission  
16 line through my community because of the following: (1) ~~a 345-kV transmission line will~~  
17 ~~severely depreciate the value of my property;~~ (2) a 345-kV transmission line will severely  
18 detract from the scenic beauty and aesthetic values of my property and area; (3) a 345-kV  
19 transmission line would negatively impact community, economic and historical values and  
20 character of my property and area; (4) I and visitors will have to drive under or near a 345-  
21 kV transmission line on a regular basis; (5) for transmission lines crossing my property, I  
22 would be required to give third parties access to my property, which limits the privacy and  
23 control over my property; and (6) ~~I have general concerns about any buzzing of the 345-~~  
24 ~~kV transmission line and general health and safety concerns and concerns living and being~~  
25 ~~close to a 345-kV transmission line.~~

26  
27 **III. DESCRIPTION OF PROPERTY AND THE LINE'S IMPACT**  
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30 QUESTION: ARE THERE ANY HABITABLE STRUCTURES ON THE PROPERTY?  
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32 ANSWER: No.  
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35 QUESTION: PLEASE DESCRIBE THE TERRAIN AND ECOLOGICAL OR  
36 BIOLOGICAL FEATURES OF YOUR PROPERTY.

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ANSWER: The property is flat farm land.

QUESTION: HAVE YOU OR YOUR FAMILY UNDERTAKEN ANY EFFORTS TO RESTORE THE LAND OR THE ENVIRONMENTAL QUALITY OF THE PROPERTY?

ANSWER: Yes, currently the property is fallow farm land.

QUESTION: ARE THERE ANY WATER WELL SITES ON THE PROPERTY?

ANSWER: Yes.

QUESTION: ARE THERE ANY GAS WELLS ON THE PROPERTY?

ANSWER: No.

QUESTION: ARE THERE ANY PIPELINE EASEMENTS ON THE PROPERTY?

ANSWER: We granted an easement for a pipeline about 10 years ago, but the pipeline was never installed. There is also a community potable water line on the property.

QUESTION: PLEASE DESCRIBE ANY PLANNED FUTURE USES OF YOUR PROPERTY IF THOSE USES ARE DIFFERENT FROM THE CURRENT USES PREVIOUSLY DESCRIBED.

ANSWER: We have recently created the Zeman Family Limited Partnership, LP to ensure our family's continued commitment to land management for the fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) generations. ~~We plan to continue improving our lands with an emphasis on managing the habitat for native wildlife and productive farm land. The oil and gas exploration and development will likely continue and increase over the next many years on our lands.~~

QUESTION: DO ANY EXISTING TRANSMISSION OR DISTRIBUTION LINES CROSS YOUR PROPERTY?

1 ANSWER: Yes, there is a very old transmission line which was built in the 30's or 40's by  
2 Community Public Service. Texas-New Mexico Power Company re-built the line about 7  
3 or 8 years ago.

4  
5 QUESTION: ARE THERE CURRENT PLANS FOR OTHER UTILITY FEATURES  
6 ON YOUR PROPERTY? IF SO, PLEASE DESCRIBE HOW AND WHERE THEY  
7 CROSS THE PROPERTY.

8  
9 ANSWER: Not at this time.

10  
11 QUESTION: WOULD THE SEGMENTS THAT MIGHT IMPACT YOUR PROPERTY  
12 RUN ALONG ANY BOUNDARY LINES OF YOUR PROPERTY?

13  
14 ANSWER: Yes, Segment C-1 would run inside and along the boundary of our property.

15 See Exhibit A.

16  
17 QUESTION: IF THE TRANSMISSION LINE IS BUILT ON YOUR PROPERTY, DO  
18 YOU HAVE ANY CONCERNS ABOUT ONCOR & AEP HAVING ACCESS TO  
19 YOUR PROPERTY?

20  
21 ANSWER: Yes, I have the general concerns of landowners who are required to give third  
22 parties access to their property. Also, this would materially affect the use of my property.  
23 I hope that Oncor & AEP will respect my property.

24  
25 QUESTION: IF THE TRANSMISSION LINE IS BUILT ON YOUR PROPERTY, DO  
26 YOU HAVE ANY OTHER CONCERNS?

27  
28 ANSWER: ~~I have general safety and health concerns for living around transmission lines~~  
29 ~~and EMF issues. Because potential buyers may be aware of medical studies available on~~  
30 ~~the Internet arguing, correctly or not, a connection between high powered transmission~~  
31 ~~lines causing health problems and possible cancer, we are concerned about a negative~~  
32 ~~stigma being attached to my property and the possible devaluation of my property value.~~

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35 QUESTION: IS THERE ANYTHING ELSE YOU WOULD LIKE THE  
36 ADMINISTRATIVE LAW JUDGE AND THE PUBLIC UTILITY COMMISSION TO  
37 CONSIDER IN THIS PROCEEDING?

APPLICATION OF ONCOR	§	BEFORE THE STATE OFFICE
ELECTRIC DELIVERY COMPANY	§	
LLC, AEP TEXAS INC., AND LCRA	§	
TRANSMISSION SERVICES	§	
CORPORATION TO AMEND	§	
THEIR CERTIFICATES OF	§	OF
CONVENIENCE AND NECESSITY	§	
FOR 345-KV TRANSMISSION	§	
LINE IN PECOS, REEVES, AND	§	
WARD COUNTIES, TEXAS (SAND	§	
LAKE TO SOLSTICE AND	§	
BAKERSFIELD TO SOLSTICE)	§	ADMINISTRATIVE HEARINGS

Intervenor Forrister Generation-Skipping Trust (“Forrister”) files this Direct Testimony, which is attached. Forrister stipulates that this Direct Testimony can be treated by all parties as if the answers were filed under oath.

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**ATTORNEYS FOR FORRISTER  
GENERATION-SKIPPING TRUST**

1 ANSWER: The purpose of my testimony is to (a) describe my properties; (b) describe  
2 the expected impact of the proposed transmission line on my properties; (c) voice my  
3 opposition to any Route using Segment C-1 and proposed alternate Routes 370 and 404;  
4 and voice my support for Oncor & AEP's Sand Lake to Solstice recommended Route  
5 320.

6  
7 QUESTION: WHAT ARE YOUR CONCERNS ABOUT THE PROPOSED  
8 TRANSMISSION LINE USING ONCOR & AEP'S ALTERNATE ROUTES 370 AND  
9 404 AND SEGMENT C-1?

10  
11 ANSWER: In general, I am opposed to the construction of Oncor & AEP's transmission  
12 line through my community because of the following: (1) ~~a 345-kV transmission line will~~  
13 ~~severely depreciate the value of my properties;~~ (2) a 345-kV transmission line will  
14 severely detract from the scenic beauty and aesthetic values of my properties and  
15 surrounding area; (3) a 345-kV transmission line would negatively impact community,  
16 economic and historical values and character of my properties and surrounding area; (4) I  
17 and visitors will have to drive under or near a 345-kV transmission line on a regular  
18 basis; (5) for transmission lines crossing my properties, I would be required to give third  
19 parties access to my properties, which limits the privacy and control over my properties;  
20 and (6) ~~I have general concerns about any buzzing of the 345 kV transmission line and~~  
21 ~~general health and safety concerns and concerns living and being close to a 345 kV~~  
22 ~~transmission line.~~

23  
24 **III. DESCRIPTION OF PROPERTIES AND THE LINE'S IMPACT**

25  
26 QUESTION: ARE THERE ANY HABITABLE STRUCTURES ON THE  
27 PROPERTIES?

28  
29 ANSWER: Yes there are multiple barns and storage sheds on the properties. There is one  
30 house that is currently leased and a large metal building which is also leased.

31  
32 QUESTION: HAVE YOU OR YOUR FAMILY UNDERTAKEN ANY EFFORTS TO  
33 IMPROVE OR RESTORE THE LAND?

1 ANSWER: Yes, we have cleaned debris and drilled water wells.

2  
3 QUESTION: ARE THERE ANY WATER WELL SITES ON THE PROPERTIES?

4  
5 ANSWER: Yes, there are several water wells at various locations on the properties.

6  
7 QUESTION: ARE THERE ANY GAS WELLS ON THE PROPERTIES?

8  
9 ANSWER: No gas wells. There is one oil well ~~and a new well that will be drilled~~ on the  
10 southern part of tract 233 where Segment C-1 would cross.

11  
12 QUESTION: ARE THERE ANY PIPELINE EASEMENTS ON THE PROPERTIES?  
13 IF SO, DESCRIBE THEIR GENERAL LOCATIONS.

14  
15 ANSWER: Yes there are about 20 different pipeline easements crossing the properties in  
16 various locations.

17  
18 QUESTION: PLEASE DESCRIBE ANY PLANNED FUTURE USES OF YOUR  
19 PROPERTIES IF THOSE USES ARE DIFFERENT FROM THE CURRENT USES  
20 PREVIOUSLY DESCRIBED.

21  
22 ANSWER: ~~Yes, there is a planned disposal well on tract 233 where the proposed~~  
23 ~~Segment C-1 will cross the property, and the line would likely take the anticipated~~  
24 ~~disposal well permit. There is also a service yard which could be impacted.~~

25  
26 QUESTION: DO ANY EXISTING TRANSMISSION OR DISTRIBUTION LINES  
27 CROSS YOUR PROPERTIES? IF SO, PLEASE DESCRIBE HOW AND WHERE  
28 THEY CROSS THE PROPERTIES.

29  
30 ANSWER: No, only normal distribution lines which supply the various structures with  
31 electricity.

32  
33 QUESTION: ARE THERE CURRENT PLANS FOR OTHER UTILITY FEATURES  
34 ON YOUR PROPERTIES? IF SO, PLEASE DESCRIBE HOW AND WHERE THEY  
35 CROSS THE PROPERTIES.

36  
37 ANSWER: Not at this time.

38

1 QUESTION: WOULD THE SEGMENTS THAT MIGHT IMPACT YOUR  
2 PROPERTIES RUN ALONG ANY BOUNDARY LINES OF YOUR PROPERTIES?

3  
4 ANSWER: Yes, Segment C-1 would run along the entire property boundary of tract 232  
5 along the frontage of CR 339 and portion of tract 233, which also fronts CR 339. See  
6 **Exhibit A.**

7  
8 QUESTION: HOW WOULD A 345-KV ELECTRIC TRANSMISSION LINE  
9 IMPACT YOUR PROPERTIES AND THEIR OPERATIONS?

10  
11 ANSWER: ~~It could potentially impact the proposed oil well and disposal well which~~  
12 ~~have already been agreed to and will be constructed soon.~~

13  
14 QUESTION: WOULD YOU HAVE TO REGULARLY DRIVE UNDER THE  
15 TRANSMISSION LINE IF INSTALLED ON YOUR PROPERTIES.

16  
17 ANSWER: Yes, on both parcels my tenants would have to drive under and around the  
18 transmission lines daily.

19  
20 QUESTION: IF THE TRANSMISSION LINE IS BUILT ON ANY OF YOUR  
21 PROPERTIES, DO YOU HAVE ANY CONCERNS ABOUT ONCOR & AEP  
22 HAVING ACCESS TO YOUR PROPERTIES?

23  
24 ANSWER: Yes, I have the general concerns of landowners who are required to give  
25 third parties access to their property. Also, this would materially affect the use of my  
26 properties. I hope that Oncor & AEP will respect my properties.

27  
28 QUESTION: IF THE TRANSMISSION LINE IS BUILT ON YOUR PROPERTIES,  
29 DO YOU HAVE ANY OTHER CONCERNS?

30  
31 ANSWER: ~~I have general safety and health concerns for living around transmission lines~~  
32 ~~and EMF issues. Because potential buyers may be aware of medical studies available on~~  
33 ~~the Internet arguing, correctly or not, a connection between high-powered transmission~~  
34 ~~lines causing health problems and possible cancer, we are concerned about a negative~~  
35 ~~stigma being attached to my properties and the possible devaluation of my property~~  
36 ~~values.~~

1  
2 QUESTION: IS THERE ANYTHING ELSE YOU WOULD LIKE THE  
3 ADMINISTRATIVE LAW JUDGE AND THE PUBLIC UTILITY COMMISSION TO  
4 CONSIDER IN THIS PROCEEDING?

5  
6 ANSWER: ~~My plan is to develop more service yards on these properties. If ONCOR &~~  
7 ~~AEP utilize Segment C-1, it would impact this future plan.~~

8  
9 **IV. CONCLUSION AND RECOMMENDATIONS**

10  
11 QUESTION: HOW WOULD YOU SUMMARIZE YOUR POSITION IN THIS  
12 PROCEEDING REGARDING ONCOR & AEP's ROUTE 320 AND THE PROPOSED  
13 ALTERNATE ROUTES?

14  
15 ANSWER: I oppose Oncor & AEP's proposed alternate Routes 370 and 404. I also  
16 oppose any Route using Segment C-1. I support recommended Route 320 as the route  
17 that best meets the overall community values and PURA § 37.056(c)(4) and P.U.C.  
18 SUBST. R. 25.101(b)(3)(B). Being very familiar with this area, we believe Route 320 is  
19 the best route for the community and prudent avoidance.

20  
21 QUESTION: DOES THIS CONCLUDE YOUR TESTIMONY?

22  
23 ANSWER: Yes.  
24

**SOAH CONSOLIDATED DOCKET NO. 473-19-1265**  
**PUC CONSOLIDATED DOCKET NO. 48785**

APPLICATION OF ONCOR	§	BEFORE THE STATE OFFICE
ELECTRIC DELIVERY COMPANY	§	
LLC, AEP TEXAS INC., AND LCRA	§	
TRANSMISSION SERVICES	§	
CORPORATION TO AMEND	§	
THEIR CERTIFICATES OF	§	OF
CONVENIENCE AND NECESSITY	§	
FOR 345-KV TRANSMISSION	§	
LINE IN PECOS, REEVES, AND	§	
WARD COUNTIES, TEXAS (SAND	§	
LAKE TO SOLSTICE AND	§	
BAKERSFIELD TO SOLSTICE)	§	ADMINISTRATIVE HEARINGS

## **DIRECT TESTIMONY OF INTERVENORS GALE AND DOROTHY SMITH**

Intervenors Gale Smith and Dorothy Smith (“Smith”) file this Direct Testimony, which is attached. Smith stipulates that this Direct Testimony can be treated by all parties as if the answers were filed under oath.

Respectfully submitted,

**BRAUN & GRESHAM, PLLC**  
**P.O. Box 1148 (Mailing)**  
**Dripping Springs, Texas 78620**  
**14101 Hwy. 290 W., Bldg. 1100 (Physical)**  
**Austin, Texas 78737**  
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Patrick L. Reznik  
State Bar No. 16806780  
Cassie Gresham  
State Bar No. 24045980  
Shane D. Neldner  
State Bar No. 24062435

**ATTORNEYS FOR GALE AND DOROTHY SMITH**

1  
2 **II. PURPOSE AND SCOPE OF TESTIMONY**  
3

4 QUESTION: WHAT IS THE PURPOSE AND SCOPE OF YOUR TESTIMONY?  
5

6 ANSWER: The purpose of our testimony is to (a) describe our property; (b) describe the  
7 expected impact of the proposed transmission line on our property; (c) voice our  
8 opposition to any Route using Segment R1 and proposed alternate Route 3; and voice my  
9 support for LCRA & AEP's Bakersfield to Solstice recommended Route 24.

10  
11 QUESTION: WHAT ARE YOUR CONCERNS ABOUT THE PROPOSED  
12 TRANSMISSION LINE USING LCRA & AEP'S PROPOSED ALTERNATE ROUTE  
13 3 AND SEGMENT R1?  
14

15 ANSWER: In general, we are opposed to the construction of LCRA & AEP's  
16 transmission line through our community because of the following: (1) ~~a 345-kV~~  
17 ~~transmission line will severely depreciate the value of our property;~~ (2) a 345-kV  
18 transmission line will severely detract from the scenic beauty and aesthetic values of our  
19 property and area; (3) a 345-kV transmission line would negatively impact community,  
20 economic and historical values and character of our property and area; (4) We and  
21 visitors will have to drive under or near a 345-kV transmission line on a regular basis; (5)  
22 for transmission lines crossing our property, we would be required to give third parties  
23 access to our property, which limits the privacy and control over our property; and  
24 (6) ~~We have general concerns about any buzzing of the 345 kV transmission line and~~  
25 ~~general health and safety concerns and concerns living and being close to a 345 kV~~  
26 ~~transmission line.~~

27  
28 **III. DESCRIPTION OF PROPERTY AND THE LINE'S IMPACT**  
29  
30

31 QUESTION: ARE THERE ANY HABITABLE STRUCTURES ON THE  
32 PROPERTY?  
33

34 ANSWER: Yes, there are two homes on the property.  
35

1 QUESTION: ARE THERE CURRENT PLANS FOR OTHER UTILITY FEATURES  
2 ON YOUR PROPERTY? IF SO, PLEASE DESCRIBE HOW AND WHERE THEY  
3 CROSS THE PROPERTY.

4  
5 ANSWER: None.

6  
7 QUESTION: WOULD THE SEGMENTS THAT MIGHT IMPACT YOUR  
8 PROPERTY RUN ALONG ANY BOUNDARY LINES OF YOUR PROPERTY?

9  
10 ANSWER: No.

11  
12 QUESTION: HOW WOULD A 345-KV ELECTRIC TRANSMISSION LINE  
13 IMPACT YOUR PROPERTY AND ITS OPERATIONS?

14  
15 ANSWER: While the transmission line would not directly impact our property, the huge  
16 and unsightly 345-kV line and towers would be across the street and visible from all  
17 areas of the property.

18  
19 QUESTION: WOULD YOU HAVE TO REGULARLY DRIVE UNDER THE  
20 TRANSMISSION LINE IF INSTALLED ON YOUR PROPERTY.

21  
22 ANSWER: Yes, depending on the direction we travel on Humble Road.

23  
24 QUESTION: DESCRIBE THE AESTHETIC IMPACT TO YOUR PROPERTY IF  
25 LCRA & AEP BUILDS A 345-KV TRANSMISSION LINE ON YOUR PROPERTY.

26  
27 ANSWER: While the transmission line would not directly impact our property, it would  
28 be across the street. The huge towers necessary for a 345-kV transmission line would be  
29 unsightly and visible from both our homes and from every area of our property.

30  
31 QUESTION: IF THE TRANSMISSION LINE IS BUILT NEAR YOUR PROPERTY,  
32 DO YOU HAVE ANY CONCERNS?

33  
34 ANSWER: ~~We have general safety and health concerns for living around transmission~~  
35 ~~lines and EMF issues. Because potential buyers may be aware of medical studies~~  
36 ~~available on the Internet arguing, correctly or not, a connection between high-powered~~  
37 ~~transmission lines causing health problems and possible cancer, we are concerned about a~~

1 ~~negative stigma being attached to our property and the possible devaluation of our~~  
2 ~~property value.~~

3  
4 QUESTION: IS THERE ANYTHING ELSE YOU WOULD LIKE THE  
5 ADMINISTRATIVE LAW JUDGE AND THE PUBLIC UTILITY COMMISSION TO  
6 CONSIDER IN THIS PROCEEDING?

7  
8 ANSWER: Yes, our son has a defibrillator and pace maker which can be affected by a  
9 high voltage line.

10

11

#### 12 **IV. CONCLUSION AND RECOMMENDATIONS**

13

14 QUESTION: HOW WOULD YOU SUMMARIZE YOUR POSITION IN THIS  
15 PROCEEDING REGARDING LCRA & AEP's ROUTE 24 AND THE PROPOSED  
16 ALTERNATE ROUTES?

17

18 ANSWER: We oppose LCRA & AEP's proposed alternate Route 3. We also oppose any  
19 Route using Segment R1. We support LCRA & AEP's recommended Route 24 as the  
20 route that best meets the overall community values and PURA § 37.056(c)(4) and P.U.C.  
21 SUBST. R. 25.101(b)(3)(B). Being very familiar with this area, we believe Route 24 is  
22 the best route for the community and prudent avoidance.

23

24 QUESTION: DOES THIS CONCLUDE YOUR TESTIMONY?

25

ANSWER: Yes.

**JANUARY 10, 2019  
COG OPERATING LLC**

**SOAH DOCKET NO. 473-19-1265  
PUC DOCKET NO. 48785**

<b>APPLICATION OF ONCOR</b>	<b>§</b>	
<b>ELECTRIC DELIVERY CO, AEP</b>	<b>§</b>	
<b>TEXAS INC. AND LCRA</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>TRANSMISSION SERVICES</b>	<b>§</b>	
<b>CORPORATION TO AMEND</b>	<b>§</b>	
<b>THEIR CERTIFICATES OF</b>	<b>§</b>	<b>OF</b>
<b>CONVENIENCE AND</b>	<b>§</b>	
<b>NECESSITY FOR 345-KV</b>	<b>§</b>	
<b>TRANSMISSION LINES IN</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>
<b>PECOS, REEVES, AND WARD</b>	<b>§</b>	
<b>COUNTIES, TEXAS</b>	<b>§</b>	

**DIRECT TESTIMONY OF TERRY BURKES**

**ON BEHALF OF**

**COG OPERATING LLC**

**IV. PROPOSED MODIFICATIONS**

**Q. What modifications can be made to Links J7, F3, and D31 to mitigate the negative effect on Concho's operations?**

**A.** First, Concho prefers Oncor and AEP not construct the transmission line within 300 feet of Concho's existing wells or facilities. Second, Concho is unwilling to accept construction of any link within 150 feet of its existing wells or facilities.

Construction of the transmission line project within 150 feet of existing wells or facilities will create health and safety concerns for Concho's and Oncor/AEP's personnel. Also, to mitigate safety concerns related to existing gathering and processing facilities, the Commission should not approve construction of the project within 150 feet of Concho's existing gathering and processing facilities.

I discuss below Concho's proposals for modifications to Links J7, F3, and D31 to mitigate the negative effect on Concho's operations and the potential health and safety risks. ~~The illustrations also identify an area of concern associated future development on Link J1.~~

**Q. Please explain Concho's concerns about Route 320, the utilities' recommended route.**

**A.** Figure 3 below (and *Attachment TB-3*) illustrate the recommended route, Route 320, in green. I inserted red circles on Links J7, F3, and J1 to identify Concho's concerns along Route 320. In each area I circled, the transmission line crosses Concho's existing oil and gas development and passes close to Concho's wells.

1

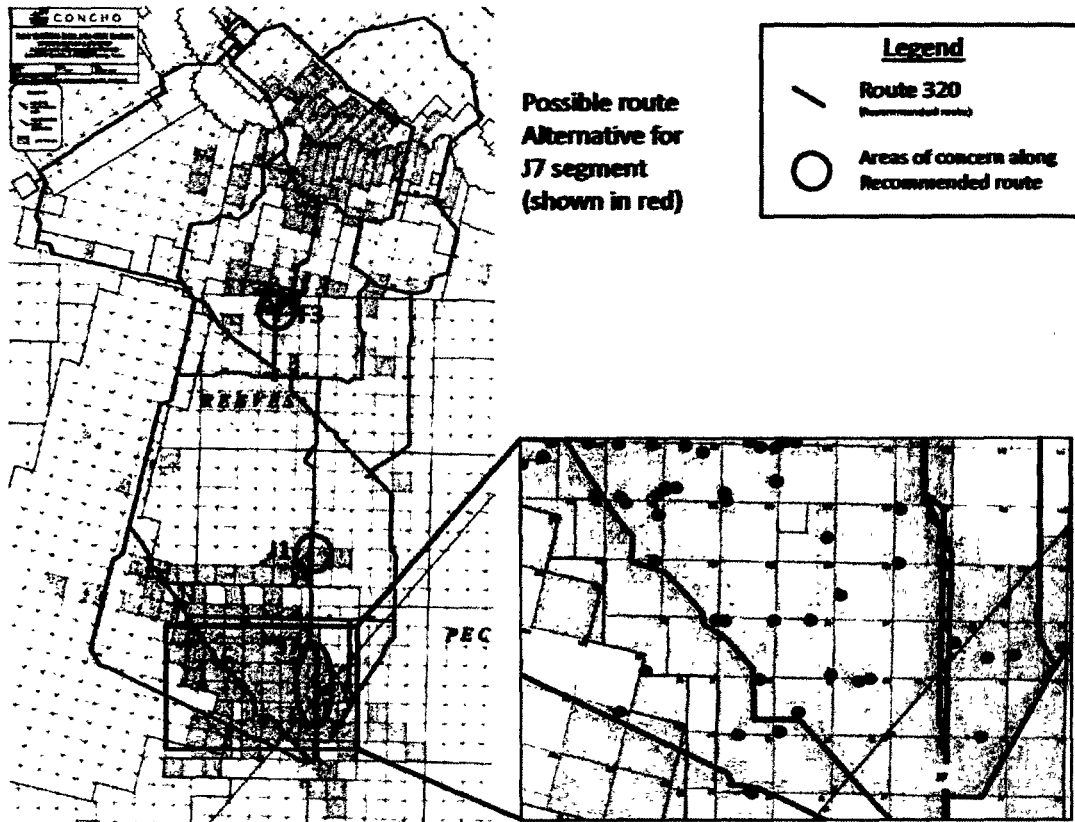


Figure 3- Route 320 with Concho's recommended modification to Link J7. See Attachment TB-3 for a larger version of this map.

- 2 Q. Please describe Link J7 and explain Concho's proposed modifications to that Link.
- 3 A. Link J7 may affect Concho's Paradox offset locations, so I suggest a slight reroute pushing
- 4 the transmission line east. Instead of angling northwest in Section 58, Concho proposes
- 5 continuing due north to avoid Concho's well locations. Once the line enters Section 139,
- 6 then angle northwest to the originally-proposed J7 link. Concho's recommended angle
- 7 begins sooner than the utilities' proposed link and has a less severe angle than the
- 8 utilities' proposed link. The angle at the northern end of J7 also would be a less severe

1 angle than the utilities propose. The modification is included in the insert in Figure 3  
2 above and *Attachment TB-3* to this testimony.

3 **Q. Please describe Link F3 and explain Concho's proposed modifications to that Link.**

4 A. As proposed, Link F3 will cross near an existing Angler field well and ~~compromise future~~  
5 ~~project locations~~. Rerouting the transmission line a little further east will avoid the  
6 existing facility ~~and minimize the effect on the future development in that field~~. My  
7 proposed modification softens two angles the utilities' propose. The modification is  
8 included in the insert in Figure 4 below and *Attachment TB-4* to this testimony.  
9

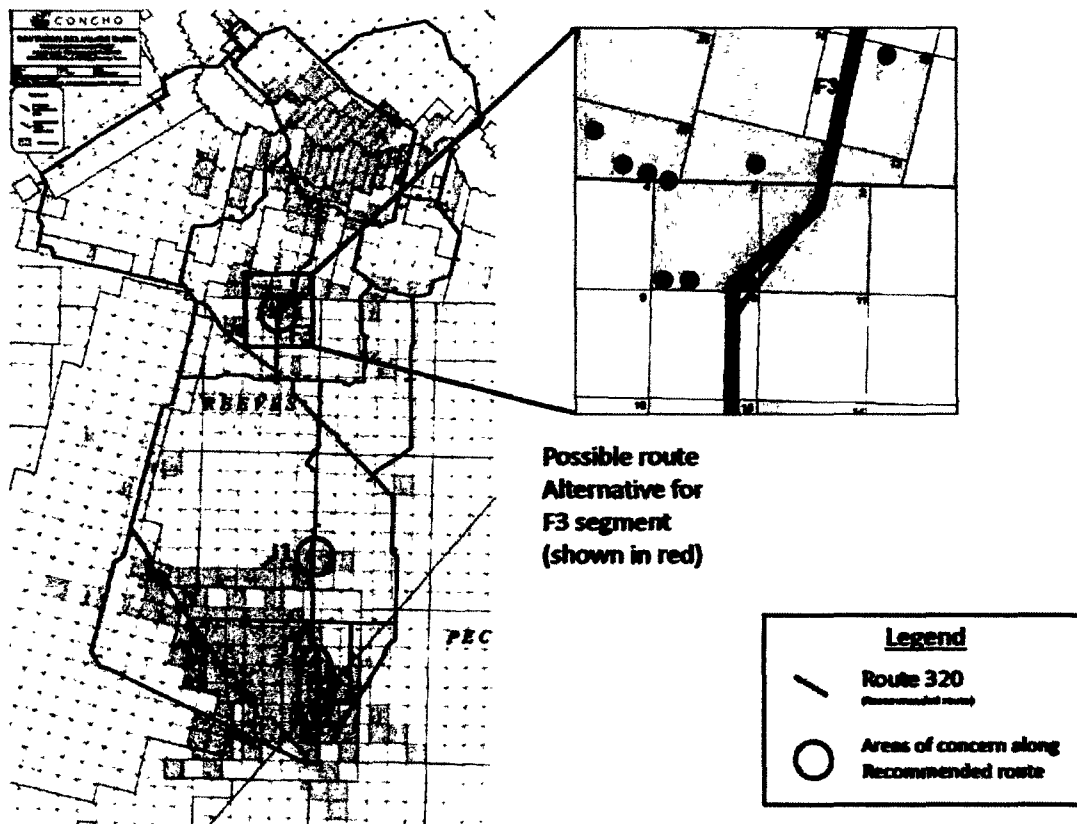
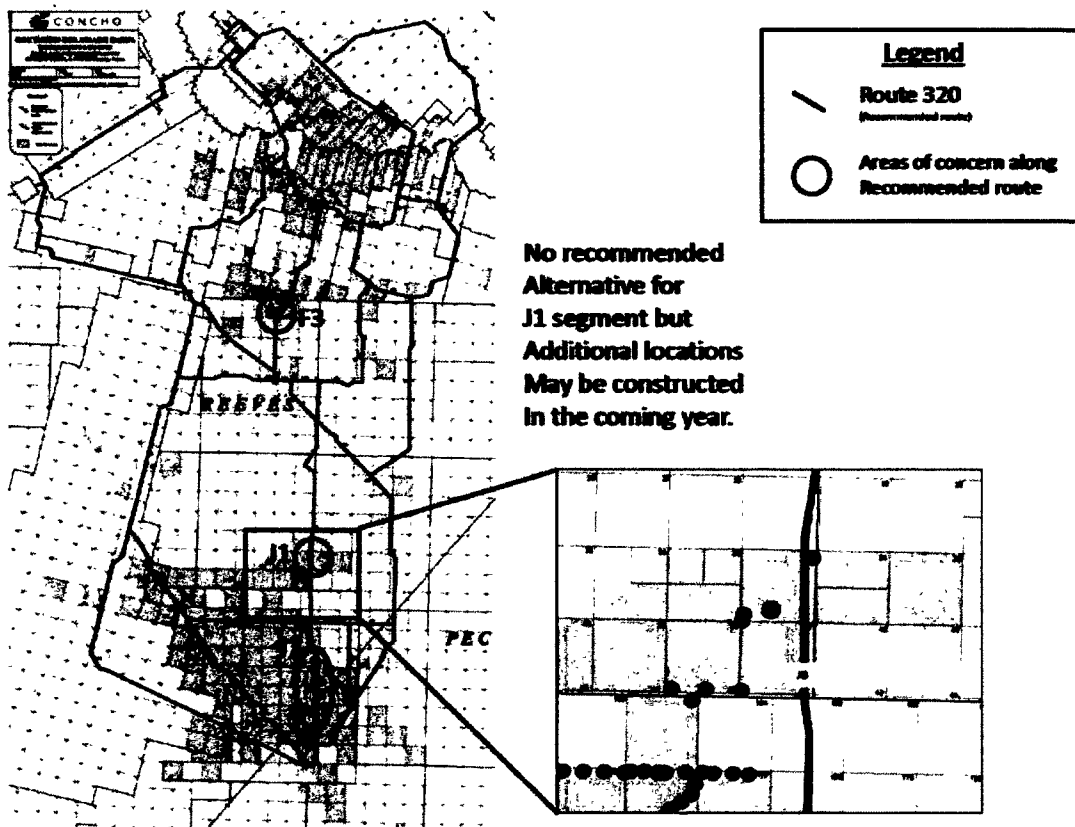


Figure 4- Route 320 with Concho's recommended modification to Link F3. See Attachment TB-4 for a larger version of this map.

1 **Q. Please describe Link J1 and explain Concho's concerns about that link.**

2 **A. Link J1 does not affect existing facilities, but it is likely Concho this year will construct**  
3 **additional locations in the area I circled on the map. Figure 5 below and Attachment TB-5**  
4 **identify that area of concern.**



*Figure 5 - Route 320 with Concho's area of future concern on Link J1. See Attachment TB-5 for a larger version of this map.*

6 **Q. What are Concho's concerns with Link D31 in the northeastern part of the study**  
7 **area?**

8 **A. I am not aware of any party proposing to use Link D31, but that link goes too far north**  
9 **before turning west, which requires a sharper turn to go west and another angle as the link**

1 enters Section 155. You can see in Figure 6 below (and *Attachment TB-6*) that (if the  
2 Commission requires the utilities construct the project on Link D31) the Concho-  
3 proposed revision softens the angle turning west and makes the connection in Section 155  
4 a tangent connection instead of a soft angle. From Concho's perspective, moving the  
5 transmission line further southwest from the top of Section 157 will place greater distance  
6 between Concho's wells and the transmission line.  
7

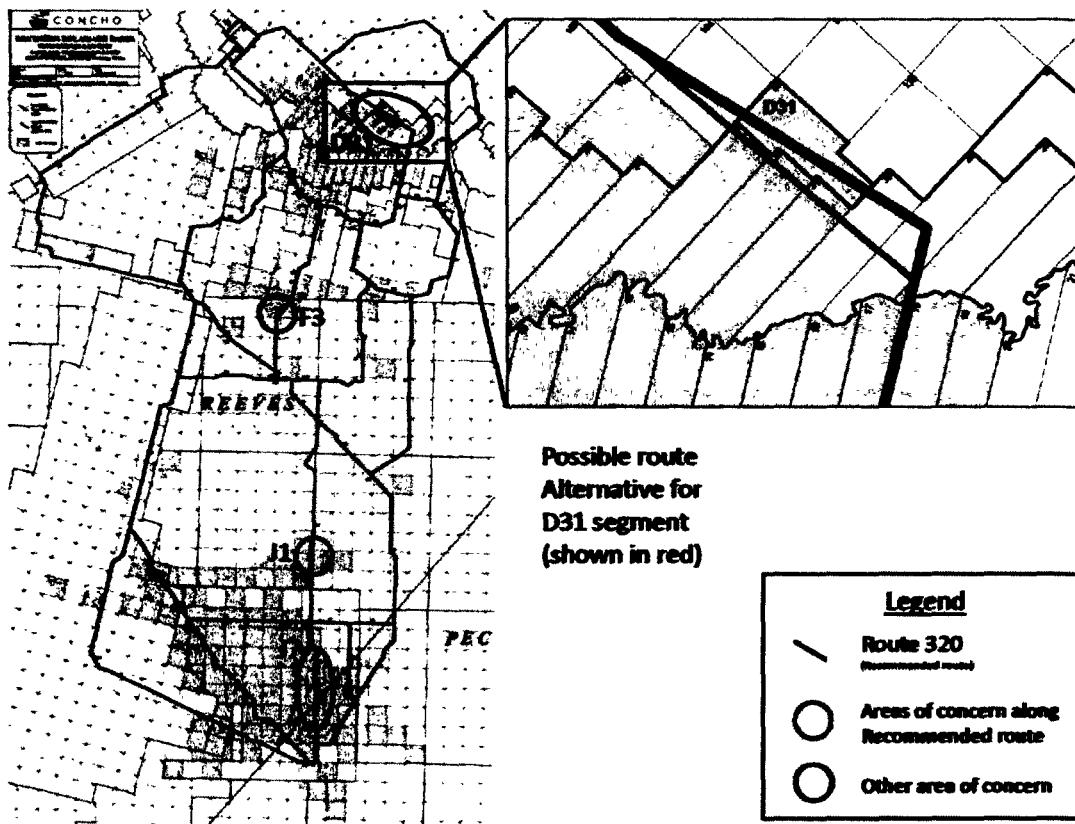


Figure 6- Link D31 with Concho's recommended modification. See Attachment TB-6 for a larger version of this map.

**Q. Can Concho provide a detailed electronic map of its proposed modifications?**

A. Yes. To facilitate a review of Concho's proposals, Concho created map files with the proposed modifications to Route 320 I discuss in my testimony. Copies of those files are included on a CD I am attaching to my testimony as ***Attachment TB-7***.

**Q. Has Concho contacted the surface owners affected by its proposed modifications?**

A. No, not yet. Concho learned of this project just before the holidays and obtained shape files to determine the extent of the effect on its operations. We then identified the proposed modifications and developed this testimony. We are asking our land department to identify the surface owners of the locations where Concho proposes modifications. We then will begin contacting those surface owners to notify them of our proposed modifications and ask for their approval of the modifications. I will supplement this response by the date for rebuttal testimony with the status of those efforts.

## V. ROUTING PREFERENCES

**Q. Please identify the links that most negatively affect Concho's operations.**

A. Link K3 most affects Concho. On the recommended route 320 (Concho's preferred route), Link J7 most affects existing oil wells and facilities. I have proposed what appear to be minor modifications to accommodate Concho's existing development on the preferred Route 320 links. Link D31, in the northeastern part of the study area, affects Concho's existing and future development.

**Q. How does Link K3 most affect Concho?**

A. Link K3 goes through the heart of our Big Chief drilling area. Link K3 does not follow section lines and bisects diagonally across the section lines. The utilities' maps do not include other engineering constraints like frac water pits, batteries, pipelines, an electric substation and secondary electric grid. In heavily-developed areas, the transmission line will affect each constraint and each constraint may affect the transmission line.

1   **Q.   Please describe Concho's preferences for routing the proposed transmission line.**

2   A.   Concho prefers Recommended Route 320, which avoids the greatest part of its existing  
3   ~~and planned~~ development. Route 320 has minimum impact to Concho's operations and  
4   with the modifications discussed above, could be mostly mitigated.

5           If the Commission approves Route 320, Concho requests the Commission approve  
6   its suggested modifications and give Oncor and AEP flexibility when constructing this  
7   project. When the utilities begin their engineering to construct this project, the location of  
8   oil and gas producers will be better known than now. Oil and gas producers and the  
9   utilities can work with the surface owners to accommodate the need to construct this  
10   project while recognizing the dominant estate's rights. Minimizing economic effects on  
11   oil and gas production, while ensuring minimal safety guidelines are met and minimizing  
12   effects on landowners, should be a benefit to Texas and Texas ratepayers.

13   **Q.   What are Concho's preferences for leaving the Sand Lake Substation?**

14   A.   Concho prefers Recommended Route 320.

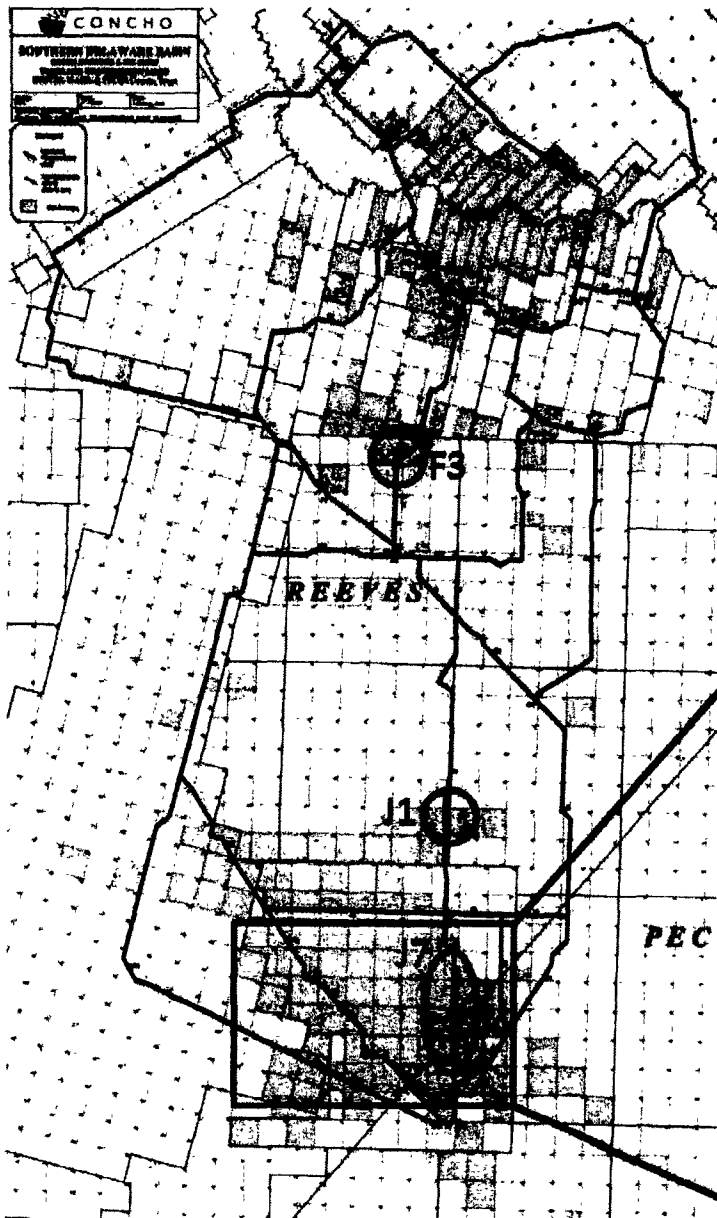
15                                   **VI.   CONCLUSION**

16   **Q.   Does this conclude your direct testimony?**

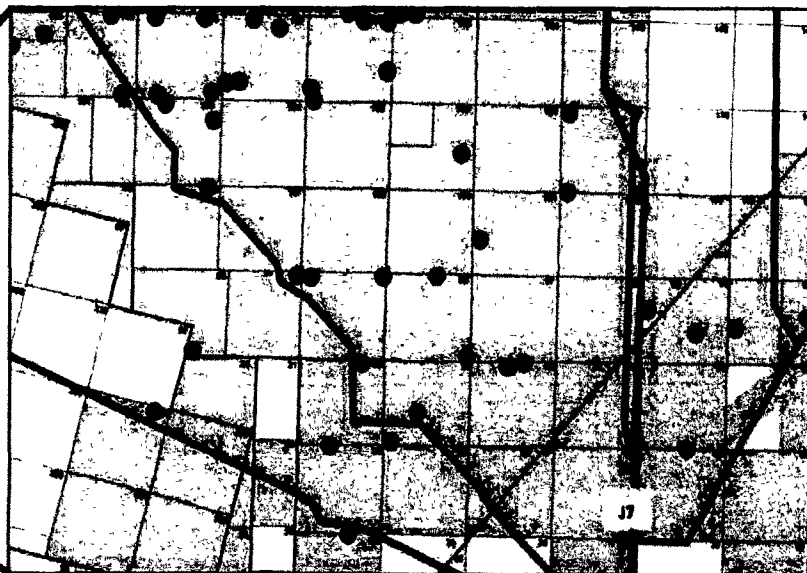
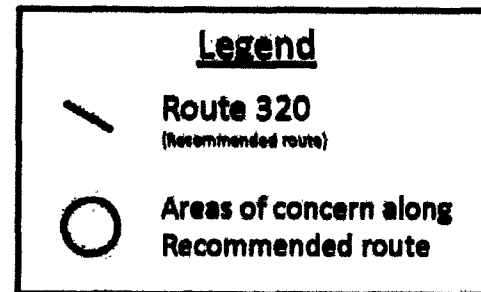
17   A.   Yes.

**Attachment TB-2**  
**Confidential exhibit showing Concho's**  
**proven, undeveloped wells, contingent wells, probable wells, and possible wells**

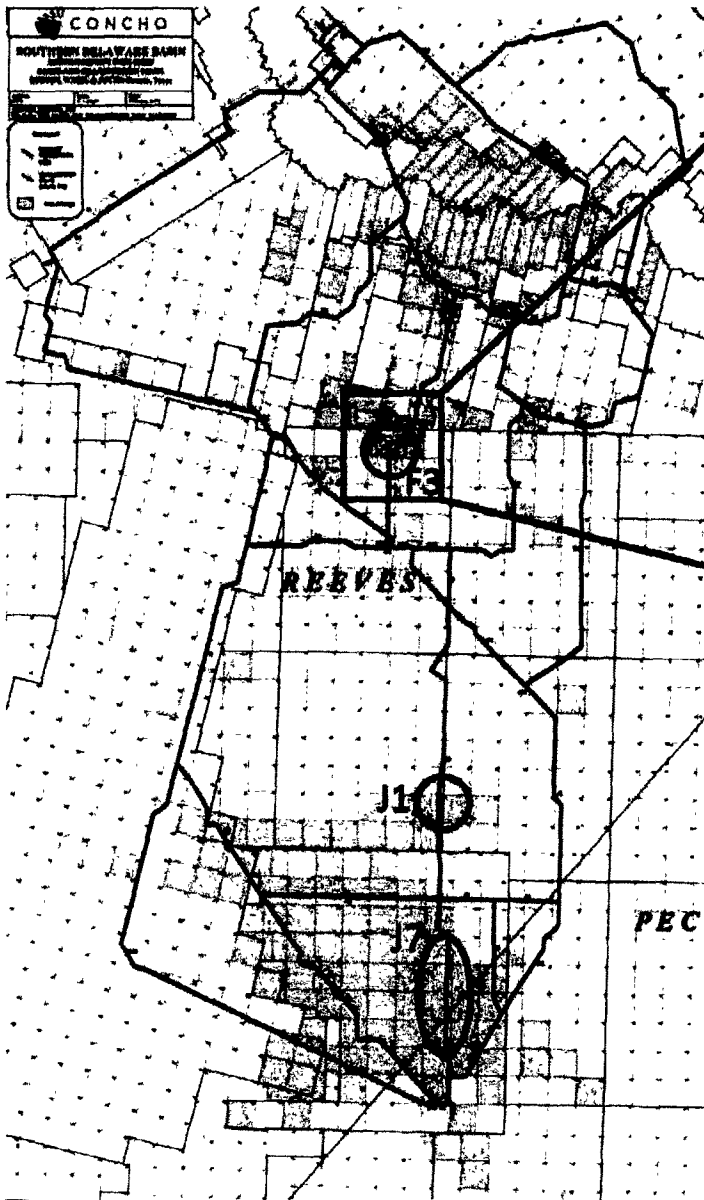
**Attachment TB-3**  
**Recommended Route 320 and Concho's areas of concern**  
**and Concho's proposed modification to Route 320, Link J7**



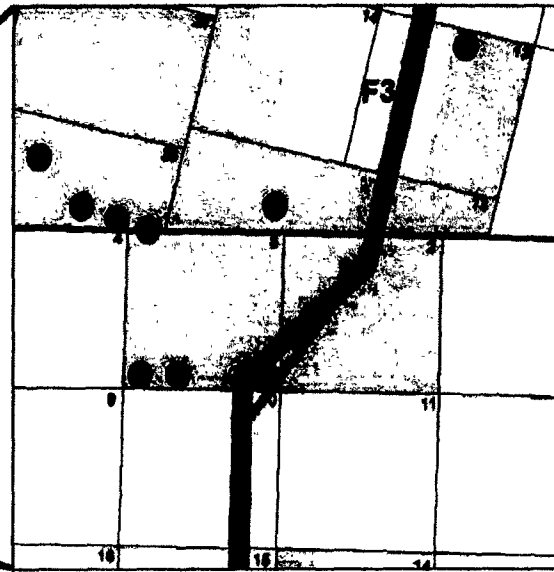
Possible route  
Alternative for  
J7 segment  
(shown in red)



**Attachment TB-4**  
**Concho's proposed modification to Route 320, Link F-3**

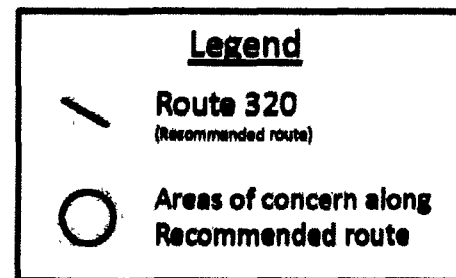
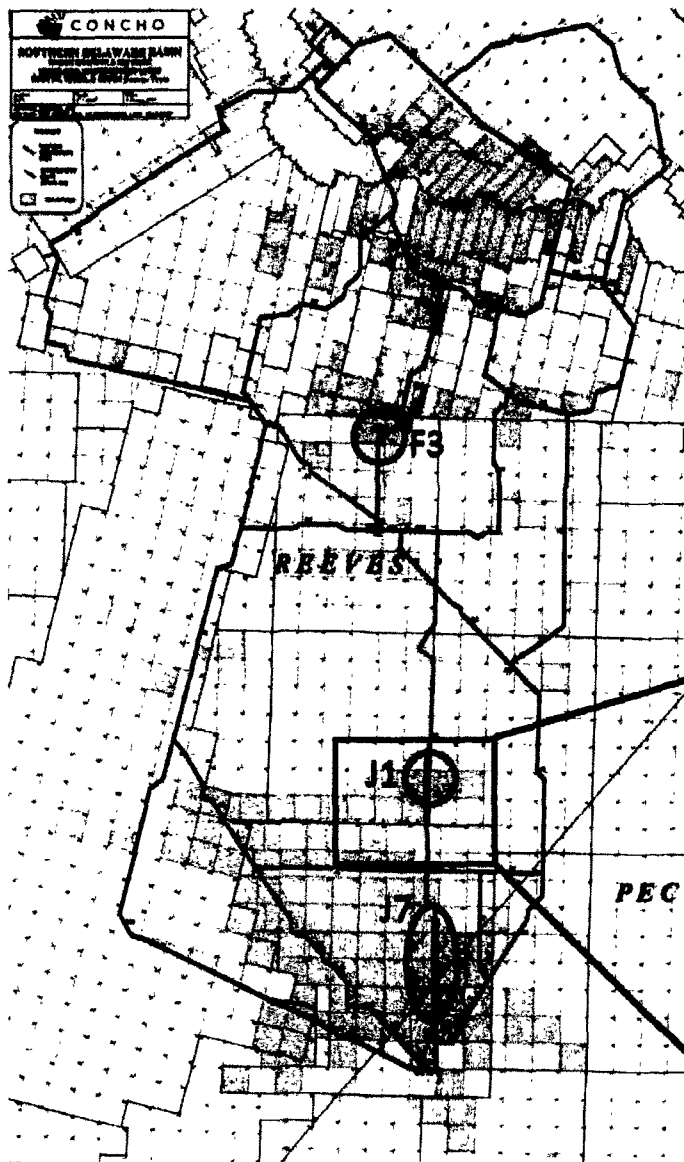


Possible route  
Alternative for  
F3 segment  
(shown in red)

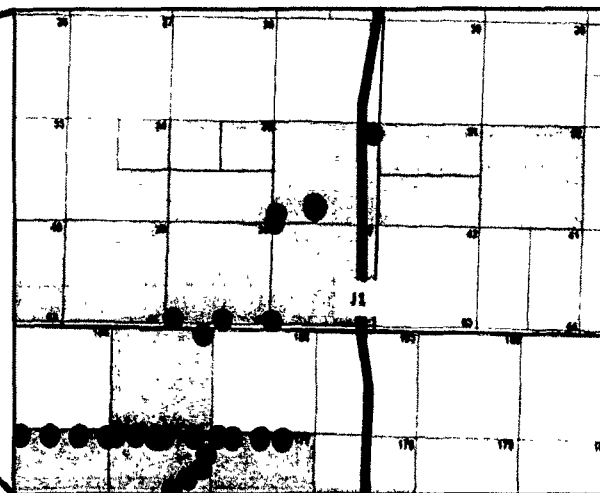


**Attachment TB-5**

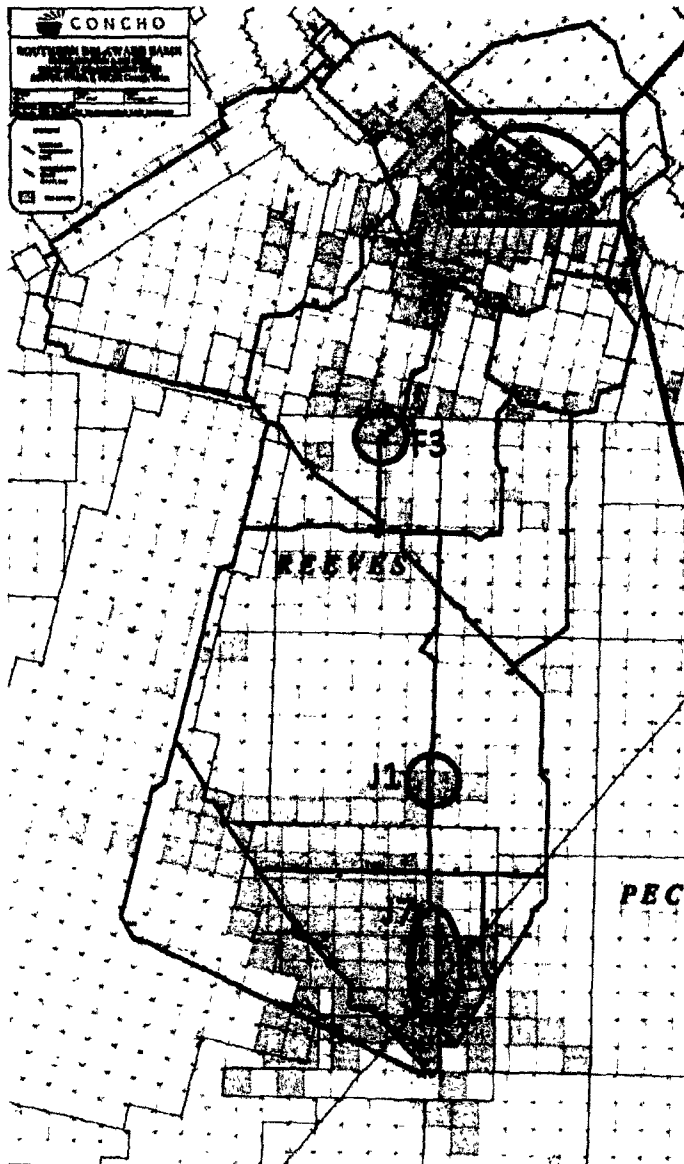
**~~Concho's identification of future development on Route 320, Link J1~~**



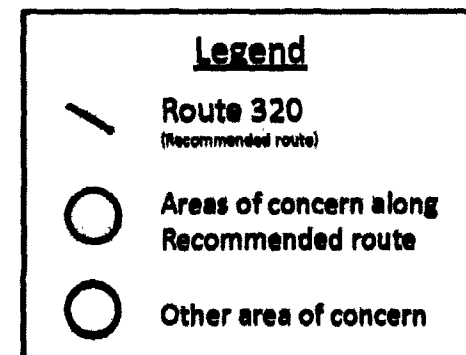
No recommended  
Alternative for  
J1 segment but  
Additional locations  
May be constructed  
in the coming year.



**Attachment TB-6**  
**Concho's proposed modification on Link D31**



Possible route  
Alternative for  
D31 segment  
(shown in red)



**Attachment TB-7**

**CD with map files with Concho's proposed Route 320 modifications**

**CONSOLIDATED SOAH DOCKET NO. 473-19-1265  
CONSOLIDATED DOCKET NO. 48785**

<b>JOINT REPORT AND APPLICATION</b>	<b>§</b>	<b>BEFORE THE</b>
<b>OF ONCOR ELECTRIC DELIVERY</b>	<b>§</b>	
<b>COMPANY LLC, AEP TEXAS INC., AND</b>	<b>§</b>	
<b>LCRA TRANSMISSION SERVICES</b>	<b>§</b>	<b>STATE OFFICE OF</b>
<b>CORPORATION TO AMEND THEIR</b>	<b>§</b>	
<b>CERTIFICATES OF CONVENIENCE</b>	<b>§</b>	
<b>AND NECESSITY FOR 345-KV</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>
<b>TRANSMISSION LINES IN PECOS,</b>	<b>§</b>	
<b>REEVES, AND WARD COUNTIES,</b>	<b>§</b>	
<b>TEXAS (SAND LAKE TO SOLSTICE</b>	<b>§</b>	
<b>AND BAKERSFIELD TO SOLSTICE)</b>	<b>§</b>	

**SAND LAKE TO SOLSTICE PORTION  
(ROUTING PHASE)**

**DIRECT TESTIMONY OF ALBERT MENDOZA  
(REDACTED)**

**ON BEHALF OF  
OCCIDENTAL PERMIAN LTD.,  
OXY DELAWARE BASIN, LLC,  
OXY USA INC, OXY USA WTP LP,  
HOUNDSTOOTH RESOURCES, LLC,  
AND OCCIDENTAL WEST TEXAS  
OVERTHRUST, INC.**

**January 10, 2019**

1 **Q. HOW WOULD A TRANSMISSION LINE INTERFERE WITH OIL RECOVERY**  
2 **OPERATIONS?**

3 A. ~~Right-of-way clearing and restrictions on what can be placed in the right-of-way would~~  
4 ~~impact Oxy's ability to efficiently develop its leases.~~ In addition, any Oxy facilities in  
5 close proximity to the proposed line will have to be maintained and worked periodically.  
6 The process for working a well involves bringing in large drilling equipment, which must  
7 be moved into position at the well sites. Having transmission towers too close to the wells  
8 can interfere with access, impede operations, and create safety concerns. Repairing and  
9 servicing the oil and gas facilities also requires the use of heavy and often tall equipment,  
10 such as cranes, that could create an unsafe situation if operated in close proximity to high  
11 voltage transmission lines. As a general rule, Oxy would prefer that the line not be  
12 constructed within 300 feet of any of Oxy's existing wells, and cannot agree to any route  
13 that is within 150 feet of its existing wells, as this would create health and safety concerns  
14 for Oxy, AEP, and Oncor personnel.

15 **Q. IS BUILDING A TRANSMISSION LINE DURING ACTIVE DRILLING ALSO A**  
16 **PROBLEM?**

17 A. Yes. Drilling wells involves building out critical infrastructure, including electrical  
18 distribution and pipeline infrastructure. In addition, moving oil and gas drilling equipment  
19 in and around transmission structures and lines can create substantial health and safety  
20 risks, which will require a great deal of coordination and will likely delay construction  
21 activities.

22 **Q. ARE THERE OTHER ISSUES ASSOCIATED WITH THE CONSTRUCTION**  
23 **PROCESS THAT WILL INTERFERE WITH OXY'S OPERATIONS?**

24 A. ~~Yes. In Oxy's experience, utilities building new transmission lines seek to de-energize~~  
25 ~~nearby transmission and distribution facilities during the construction process, and often~~  
26 ~~during maintenance once the line has been constructed. Transmission outages or, more~~  
27 ~~directly, outages on the electrical facilities serving Oxy's oil and gas infrastructure would~~  
28 ~~require Oxy to stop operations during the outage and would have adverse financial impacts~~  
29 ~~for Oxy.~~

1 Q. IS OXY IN THE PROCESS OF EXPANDING ITS OPERATIONS AT ANY OF THE  
2 LEASES THAT WOULD BE IMPACTED BY THIS TRANSMISSION LINE?

3 A. ~~Yes. Oxy has extensive exploration and production operations in the area and development~~  
4 ~~of those leases is ongoing, especially along proposed links C2, D1, E1, F1, F2, F3, G1, G2,~~  
5 ~~G3, G4, G51, G52, H2, I2, J1, and J3. Oxy is concerned that building a transmission line~~  
6 ~~through or near its properties will impede this ongoing development, which would have a~~  
7 ~~significant adverse economic impact.~~

8 Q. PLEASE DESCRIBE THE DEVELOPMENT TIMELINE FOR OXY TO DRILL  
9 AN OIL AND GAS WELL IN WEST TEXAS.

10 A. Oxy's operations can expand very quickly. While the exact development timeline varies  
11 from well to well, it generally takes Oxy between two and three weeks to conduct the  
12 surveying activities necessary to site a potential well, and an additional one to two weeks  
13 to obtain the necessary permits to drill that well. So Oxy can go from planning a well to  
14 having a drilling rig on site in approximately three to five weeks.

15 Q. IN OXY'S EXPERIENCE, HOW DOES ITS DEVELOPMENT TIMELINE  
16 INTERACT WITH THE CONSTRUCTION AND DEVELOPMENT OF  
17 ELECTRIC TRANSMISSION LINES?

18 A. Often, Oxy's development activity has changed significantly between the time a utility  
19 surveys a particular area during its routing study and when a CCN application is actually  
20 filed. Additionally, development is ongoing during the CCN proceeding, which means  
21 there may have been significant changes to a production area by the time a route is  
22 approved.

23 Q. ARE THERE ECONOMIC COSTS IF OXY IS UNABLE TO DEVELOP OR  
24 PROPERLY MAINTAIN OIL WELLS AND RELATED PRODUCTION  
25 INFRASTRUCTURE?

26 A. ~~Yes. Oxy will lose significant revenue and income if it cannot efficiently develop these~~  
27 ~~fields or maintain existing wells. Lost production does not just harm Oxy, but also has~~  
28 ~~negative impacts for property owners entitled to royalties from Oxy's wells. There are also~~  
29 ~~both direct and indirect revenue impacts for the State of Texas, as impairing oil and gas~~

1 ~~development deprives the state of additional taxes and has a negative overall impact on~~  
2 ~~jobs and economic development related to the oil and gas industry.~~

3 ~~While it is difficult to quantify an exact amount of economic loss, in this area, a single~~  
4 ~~productive well that cannot be developed or would have to be shut in because of a~~  
5 ~~transmission line (and where the oil cannot otherwise be produced) would result in lost~~  
6 ~~production of approximately \*\*\* [REDACTED] \*\*\* barrels of oil per day. At current oil prices, such~~  
7 ~~a loss would mean \*\*\* [REDACTED] \*\*\* in reduced revenue for Oxy over the course of a year,~~  
8 ~~which is even more substantial when considered over the life of a well that could produce~~  
9 ~~for over \*\*\* [REDACTED] \*\*\* years. Each well that is not drilled or cannot be efficiently worked~~  
10 ~~due to the transmission line also means fewer taxes paid to the State of Texas, reduced~~  
11 ~~royalties for the landowners, and a reduction in economic activity related to oil drilling and~~  
12 ~~production.~~

#### 13 **IV. IMPACTS TO OXY ALONG RECOMMENDED ROUTE 320**

14 **Q. WHAT IS OXY'S POSITION WITH RESPECT TO THE UTILITIES'**  
15 **SUGGESTED ROUTE 320?**

16 A. Route 320 would cross three distinct Oxy production areas, and as proposed, that route  
17 would impede Oxy's ongoing development activities and create safety and operational  
18 issues surrounding Oxy's densely packed oil and gas infrastructure. Accordingly, Oxy  
19 opposes route 320 unless the Commission adopts modifications to that route that will allow  
20 Oxy to effectively mitigate the effects of this transmission line on its operations along link  
21 C2, links F3/G4/G51/I2, and links J1/J7.<sup>8</sup> Exhibit AM-3 to my testimony is a CD that  
22 contains a .KMZ file showing all of Oxy's proposed modifications.

#### 23 **A. OXY'S PROPOSED MODIFICATION TO LINK C2**

24 **Q. PLEASE DESCRIBE OXY'S OPERATIONS ALONG PROPOSED LINK C2.**

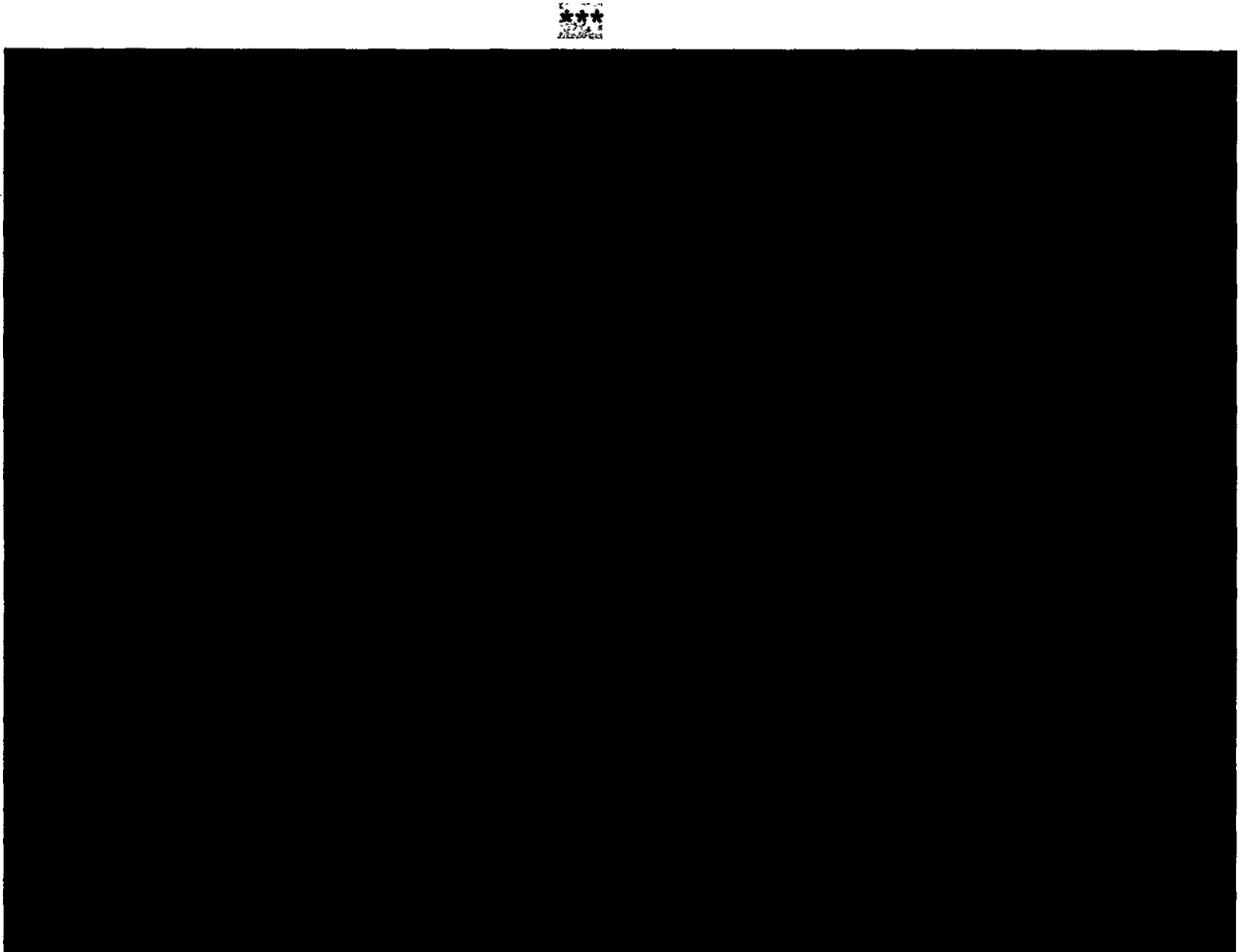
25 A. Proposed link C2 cuts through the northeastern edge of Oxy's Collie production area,  
26 which is a densely developed and rapidly expanding unconventional oil recovery operation

---

<sup>8</sup> If the Commission were to adopt Oxy's proposed modifications to links C2, F3/G4/G51/I2 (in place of any combination of links between F3 and I2/I3), and J1/J7, Oxy could agree to any of routes 18, 41, 297, or 320.

1 located on a large set of contiguous leases in the north end of the study area near Pecos.  
2 Figure AM-1 is an excerpt from Exhibit AM-2 that shows proposed link C2 overlaid on  
3 Oxy's Collie production area (Oxy leases in yellow):

4 **Figure AM-1: Oxy's Collie Production Area**



6  
7  
8  
9 **Q. HOW WOULD PROPOSED LINK C2 INTERFERE WITH OXY'S**  
10 **OPERATIONS?**

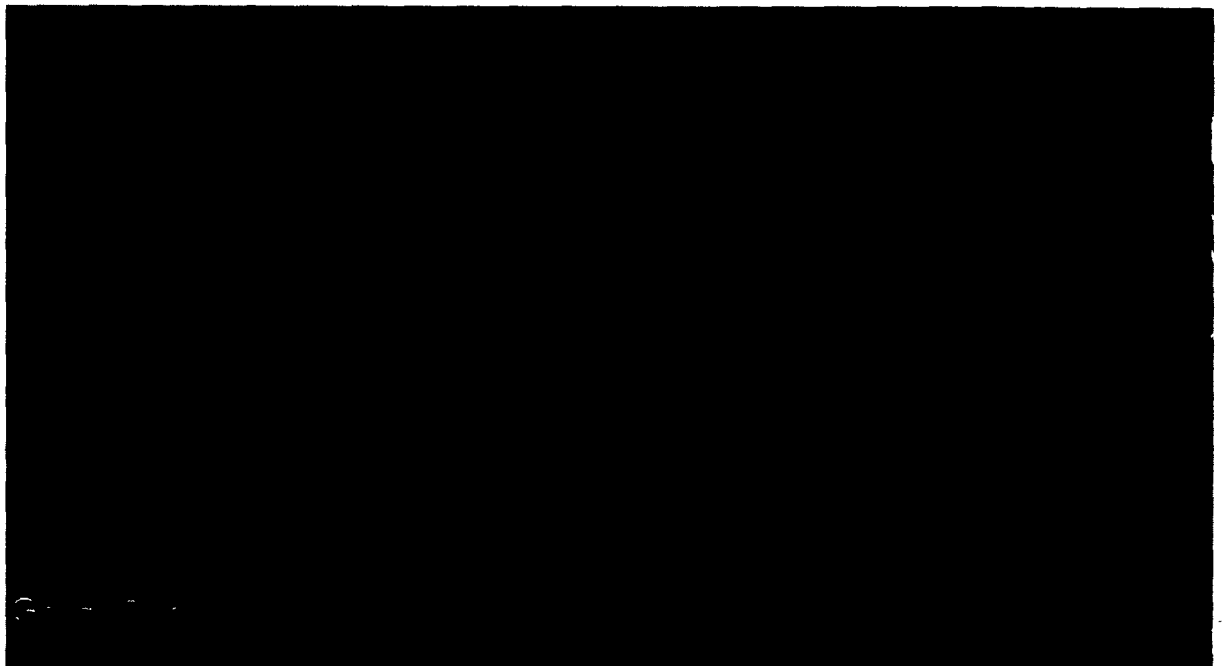
11 A. As proposed, link C2 would interfere with the ongoing development of Oxy's leases near  
12 its intersection with Highway I-20BL ("I-20 Business"). ~~In particular, Oxy has already~~  
13 ~~invested significant resources into planning a new well site in the northeastern corner of~~

1 ~~tract 504, and proposed link C2 would interfere with the development of that well. As~~  
2 ~~described above, if a transmission line crosses too close to oil and gas infrastructure or~~  
3 ~~ongoing development, that could cause operational and safety issues for Oxy, AEP, and~~  
4 ~~Oncor personnel, and could significantly increase the cost of constructing this line if it~~  
5 ~~became necessary for Oxy to abandon facilities or forego development opportunities.~~

6 **Q. HAS OXY IDENTIFIED A POTENTIAL MODIFICATION TO LINK C2 THAT**  
7 **WOULD RESOLVE ITS CONCERNS?**

8 A. Yes. Shifting a portion of link C2 slightly to the northeast would allow Oxy to effectively  
9 mitigate the impact of this transmission line on its operations. Figure AM-2 shows  
10 proposed link C2 in red and Oxy's proposed modification in yellow.

11 **Figure AM-2: Oxy's Proposed Link C2 Modified**



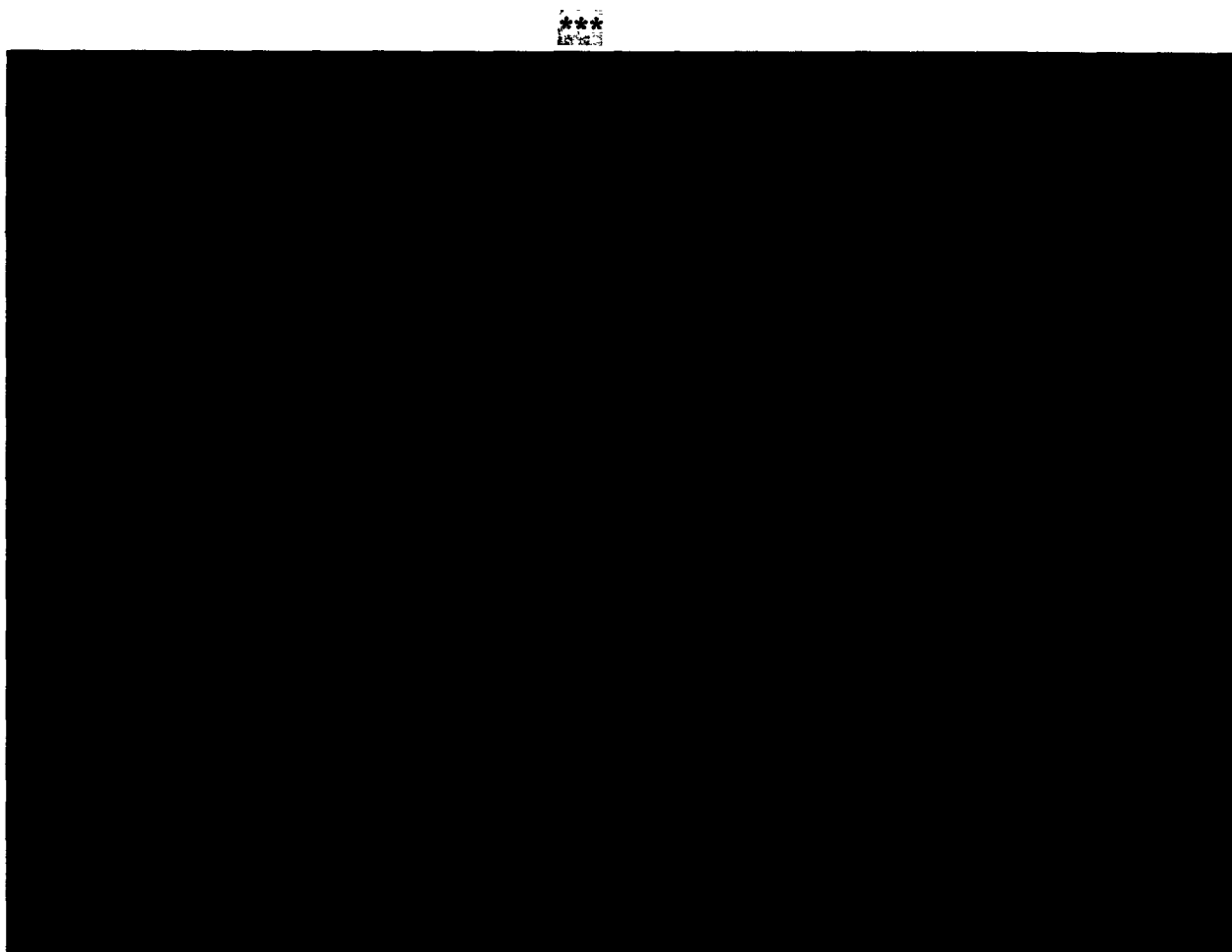
12  
13 **B. OXY'S PROPOSED MODIFICATION TO LINKS F3/G4/G51/I2**

14 **Q. PLEASE DESCRIBE OXY'S OPERATIONS ALONG LINKS F3/G4/G51/I2.**

15 A. Proposed links F3/G4/G51/I2 bisect Oxy's Barilla Draw production area, which is a  
16 densely developed and rapidly expanding unconventional oil recovery operation located  
17 on a large set of contiguous leases in the center of the study area. Figure AM-3 is an excerpt

1 from Exhibit AM-2 that shows the utilities' proposed links overlaid on Oxy's Barilla Draw  
2 production area (Oxy leases in yellow):

3 **Figure AM-3: Oxy's Barilla Draw Production Area**



7 **Q. HOW WOULD PROPOSED LINKS F3/G4/G51/I2 INTERFERE WITH OXY'S**  
8 **OPERATIONS?**

9 A. As proposed, links F3/G4/G51/I2 could interfere with Oxy's ability to effectively access  
10 and maintain its infrastructure in the Barilla Draw production area. Additionally, as  
11 proposed, those links would bisect various parcels that Oxy has leased for oil and gas  
12 operations, ~~and thereby impede Oxy's ongoing development in those areas. As described~~  
13 ~~above, if a transmission line crosses too close to oil and gas infrastructure or development,~~  
14 ~~that can cause operational and safety issues for Oxy, AEP, and Oneor personnel, and could~~

1 ~~significantly increase the cost of constructing this line if it became necessary for Oxy to~~  
2 ~~abandon facilities or forego development opportunities.~~

3 **Q. HAS OXY IDENTIFIED POTENTIAL MODIFICATIONS TO LINKS**  
4 **F3/G4/G51/I2 THAT WOULD RESOLVE ITS CONCERNS?**

5 A. As discussed elsewhere in my testimony, Oxy would prefer that the Commission avoid  
6 these links entirely by selecting route 328. However, in the event that the Commission  
7 wishes to follow the utilities' recommended route 320, Oxy has identified a set of  
8 modifications to links F3/G4/G51/I2 that will maintain safe clearances from Oxy's existing  
9 operations ~~and allow Oxy to effectively mitigate the impact of this line on its ongoing~~  
10 ~~production and development activities.~~ Those modifications would also parallel the  
11 boundaries of several tracts<sup>9</sup> rather than bisecting them, and would decrease the number of  
12 angle structures required to traverse this area from nine to six. Figure AM-4 shows  
13 proposed links F3 (red), G4 (green), G51 (light blue), and I2 (yellow), with Oxy's proposed  
14 modifications to those links in dark blue.

---

<sup>9</sup> Oxy's proposed modification to links F3/G4/G51/I2 would parallel portions of the boundaries of tracts 31, 41, 59, 66, 68, 89, 90, 108, 134, 152, 153, 190, 272, and 380 rather than cutting through those properties.

1                   **C. OXY'S PROPOSED MODIFICATION TO LINKS J1/J7**

2   **Q. PLEASE DESCRIBE OXY'S OPERATIONS ALONG LINK J1.**

3   A. Proposed links cross through the western portion of Oxy's South Red Bull production area,  
4       which is a rapidly expanding unconventional oil recovery operation located on a large set  
5       of contiguous leases in the southeastern portion of the study area. Figure AM-5 is an  
6       excerpt from Exhibit AM-2 that shows the utilities' proposed links overlaid on Oxy's South  
7       Red Bull production area (Oxy leases in yellow):

8                   **Figure AM-5: Oxy's South Red Bull Production Area**

9                   \*\*\*  
\*\*\*



10                 \*\*\*  
11                 \*\*\*

12   **Q. HOW WOULD PROPOSED LINK J1 INTERFERE WITH OXY'S OPERATIONS?**

13   A. As proposed, link J1 would bisect various parcels that Oxy has leased for oil and gas  
14       operations, ~~and thereby impede Oxy's ongoing development in these areas. As described~~

1 ~~above, if a transmission line crosses too close to oil and gas infrastructure, that can cause~~  
2 ~~operational and safety issues for Oxy, AEP, and Oncor personnel, and could significantly~~  
3 ~~increase the cost of constructing this line if it became necessary for Oxy to abandon~~  
4 ~~facilities or forego development opportunities.~~

5 **Q. HAS OXY IDENTIFIED POTENTIAL MODIFICATIONS TO LINKS J1/J7 THAT**  
6 **WOULD RESOLVE ITS CONCERNS?**

7 A. Yes. Oxy has identified a modification that would shift links J1/J7 out to the eastern  
8 boundaries of tracts 80, 82, 84, and 146 instead of through the center of those parcels. ~~Not~~  
9 ~~only would this change allow Oxy to effectively mitigate the impact of this line on its~~  
10 ~~ongoing development activities,~~ it will also increase the amount of this line that parallels  
11 property boundaries without increasing the number of angle structures that would be  
12 required. Figure AM-6 shows proposed links J1 (red) and J7 (dark blue), with Oxy's  
13 proposed modifications to those links in yellow.

1 **V. IMPACTS TO OXY ALONG ROUTE 328**

2 **Q. WHAT IS OXY'S POSITION WITH RESPECT TO ROUTE 328?**

3 A. Oxy could agree to take the transmission line along route 328 if the Commission adopts  
4 three relatively minor modifications along links C2, D1, and E1/F1.<sup>10</sup> Route 328 would  
5 cross four different Oxy production areas and affect Oxy along links C2, D1, E1, F1, and  
6 K2. Despite these impacts, Oxy would prefer that the Commission select route 328 instead  
7 of the utilities' recommended route 320. Route 328 would circumvent the bulk of Oxy's  
8 existing infrastructure ~~and ongoing development activities in the central and southern~~  
9 ~~portions of the study area~~, and would make it possible for Oxy to effectively mitigate the  
10 impact of this line on its operations with much less extensive modifications than route 320.  
11 Oxy's proposed modifications to links C2, D1, and E1/F1 are described in detail below.  
12 Exhibit AM-3 to my testimony is a CD that contains a .KMZ file showing all of Oxy's  
13 proposed modifications.

14 **A. OXY'S PROPOSED MODIFICATION TO LINK C2**

15 **Q. LINK C2 IS PART OF BOTH ROUTE 320 AND ROUTE 328. IS OXY PROPOSING**  
16 **THE SAME MODIFICATION TO THAT LINK REGARDLESS OF WHICH**  
17 **ROUTE THE COMMISSION SELECTS?**

18 A. Yes. Regardless of whether the Commission selects route 320 or route 328, Oxy is  
19 proposing the same modification to link C2 that I discuss in Section IV.A of my testimony.

20 **B. OXY'S PROPOSED MODIFICATION TO LINK D1**

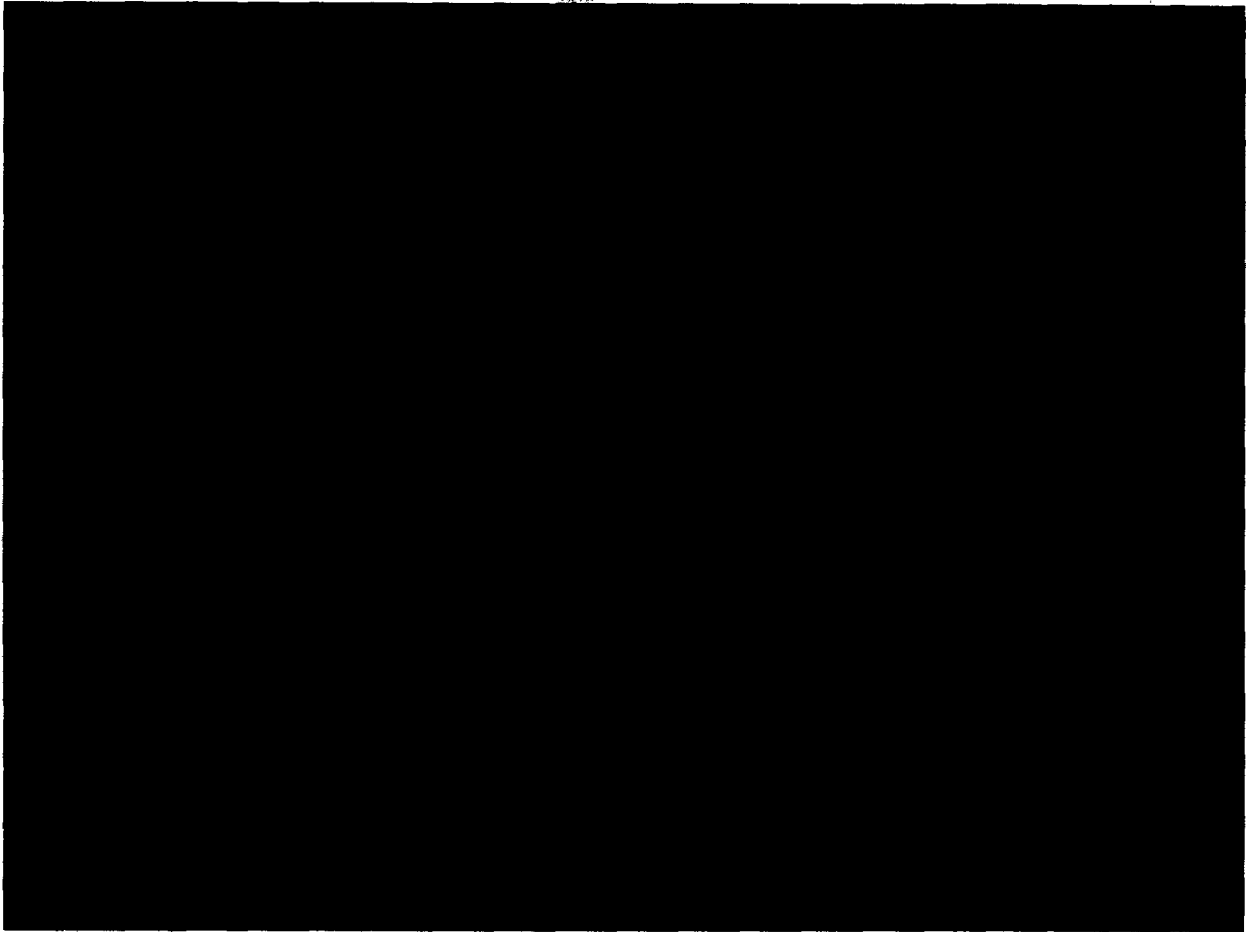
21 **Q. PLEASE DESCRIBE OXY'S OPERATIONS ALONG LINK D1.**

22 A. Proposed link D1 bisects Oxy's Birds of Prey production area, which is a densely  
23 developed and rapidly expanding unconventional oil recovery operation located on a set of  
24 contiguous leases to the southeast of Pecos. Figure AM-7 is an excerpt from Exhibit AM-  
25 2 that shows the utilities' proposed links overlaid on Oxy's Birds of Prey production area  
26 (Oxy leases in yellow):

---

<sup>10</sup> If the Commission were to adopt Oxy's proposed modifications to links C2, D1, and E1/F1, Oxy could agree to any of routes 46, 49, 325, 326, 328, and 370.

1 **Figure AM-7: Oxy's Birds of Prey Production Area**



4 \*\*\*

5 **Q. HOW WOULD PROPOSED LINK D1 INTERFERE WITH OXY'S**

6 **OPERATIONS?**

7 A. As proposed, link D1 would interfere with Oxy's ability to effectively access and maintain

8 its infrastructure in the Birds of Prey production area. ~~Additionally, as proposed, those~~

9 ~~links would bisect various parcels that Oxy has leased for oil and gas operations, and~~

10 ~~thereby impede Oxy's ongoing development in those areas. As described above, if a~~

11 ~~transmission line crosses too close to oil and gas infrastructure or development, that can~~

12 ~~cause operational and safety issues for Oxy, AEP, and Oncor personnel, and could~~

13 ~~significantly increase the cost of constructing this line if it became necessary for Oxy to~~

14 ~~abandon facilities or forego development opportunities.~~

1    **Q.    HAS OXY IDENTIFIED POTENTIAL MODIFICATIONS TO LINK D1 THAT**  
2    **WOULD RESOLVE ITS CONCERNS?**

3    A.    Yes. Oxy has developed a proposed modification that would shift the northern portion of  
4    link D1 slightly westward and thereby decrease the number of Oxy's leases that will be  
5    bisected by the line. Not only will this modification increase the amount of this line that  
6    follows property boundaries, but it will decrease the number of angle structures needed to  
7    thread link D1 between existing Oxy facilities.<sup>11</sup> Additionally, this modification to link  
8    D1 will maintain safe clearances from existing Oxy infrastructure ~~and allow Oxy to~~  
9    ~~effectively mitigate the impact of this line on its ongoing development activities.~~ Figure  
10    AM-8 shows proposed link D1 in green and Oxy's proposed modifications to that link in  
11    orange.

---

<sup>11</sup> While proposed link D1 uses five angle structures to traverse the area covered by Oxy's modification, Oxy's modified version would use only two.

**Figure AM-8: Oxy's Proposed Link D1 Modified**



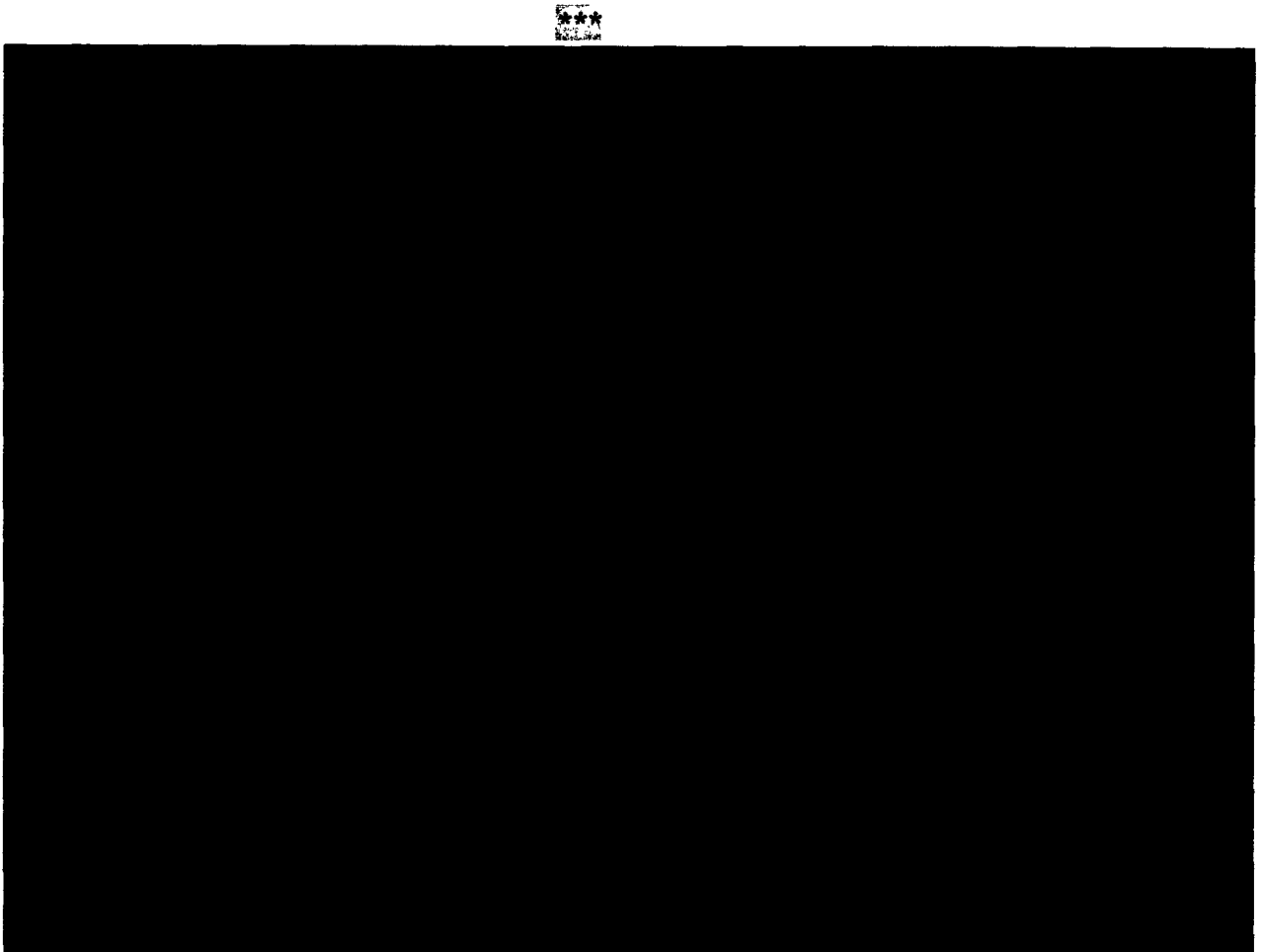
**C. OXY'S PROPOSED MODIFICATION TO LINKS E1/F1**

**Q. PLEASE DESCRIBE OXY'S OPERATIONS ALONG LINKS E1/F1.**

**A.** Proposed links E1/F1 cross the western portion of Oxy's Barilla Draw production area, which I discussed above in the context of Oxy's proposed modification to links F3/G4/G51/I2. Given the arrangement of Oxy's existing facilities ~~and development activities~~, it would be much easier for Oxy to effectively mitigate the impacts of links E1/F1 on that production area. Figure AM-9 is an excerpt from Exhibit AM-2 that shows links

1 E1/F1 overlaid on the western portion of Oxy's Barilla Draw production area (Oxy leases  
2 in yellow):

3 **Figure AM-9: Western Portion of Oxy's Barilla Draw Production Area**



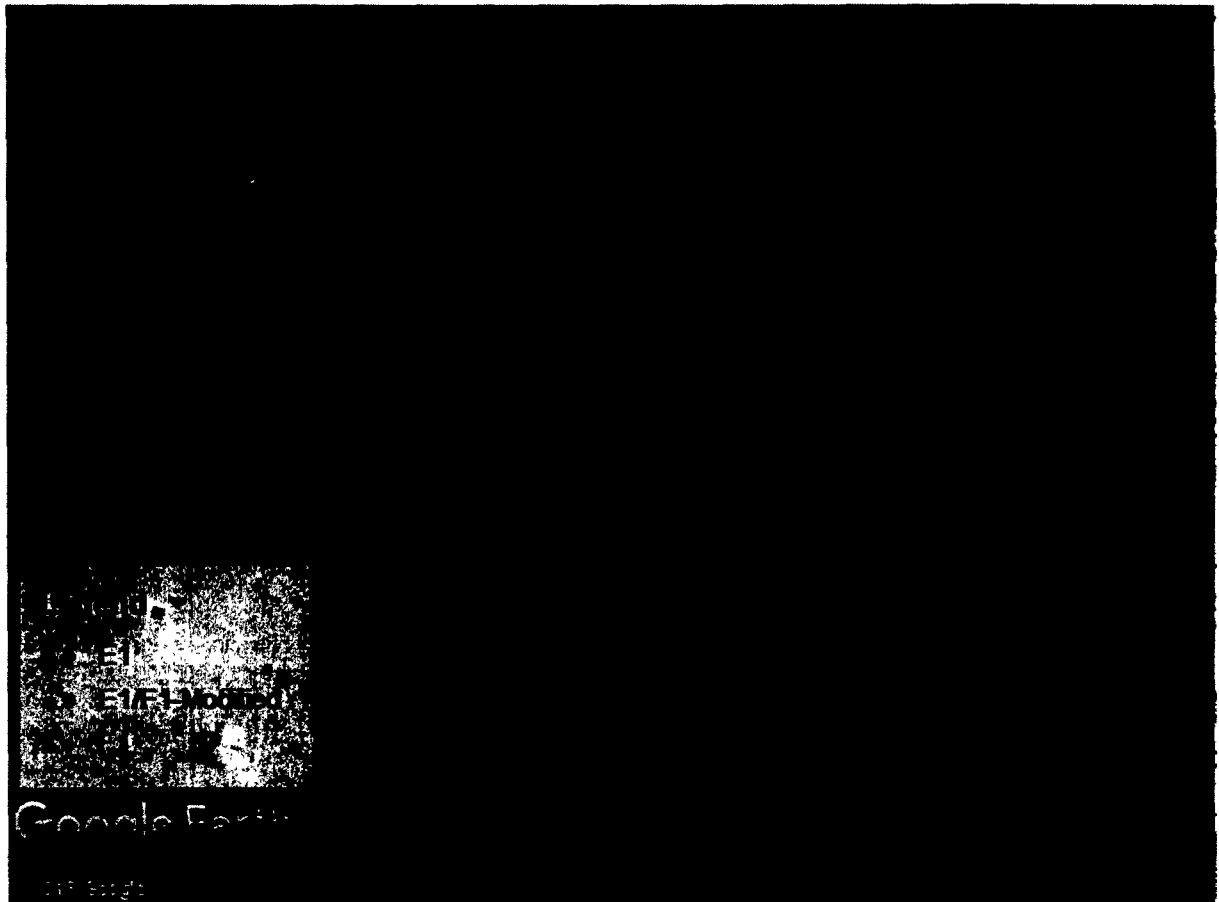
7 **Q. HOW WOULD PROPOSED LINKS E1/F1 INTERFERE WITH OXY'S**  
8 **OPERATIONS?**

9 A. As proposed, links E1/F1 bisect various parcels that Oxy has leased for oil and gas  
10 operations, ~~and thereby impede Oxy's ongoing development in those areas. As described~~  
11 ~~above, if a transmission line crosses too close to oil and gas infrastructure, that can cause~~  
12 ~~operational and safety issues for Oxy, AEP, and Oncor personnel, and could significantly~~  
13 ~~increase the cost of constructing this line if it became necessary for Oxy to abandon~~  
14 ~~facilities or forego development opportunities.~~

1 Q. HAS OXY IDENTIFIED POTENTIAL MODIFICATIONS TO LINKS E1/F1 THAT  
2 WOULD RESOLVE ITS CONCERNS?

3 A. Yes. Oxy has identified a modification that would shift links E1/F1 slightly to the east so  
4 that they follow the eastern boundaries of tracts 131 and 206 while still maintaining safe  
5 clearances from existing Oxy infrastructure. This modification will increase the length of  
6 the line paralleling property boundaries, and will also decrease the number of angle  
7 structures from four to two. ~~Additionally, the modification will allow Oxy to effectively~~  
8 ~~mitigate the impact of this line on its ongoing development activities.~~ Figure AM-10 shows  
9 proposed links E1 (green) and F1 (dark blue), with Oxy's proposed modifications to those  
10 links in red.

11 **Figure AM-10: Oxy's Proposed Links E1/F1 Modified**



**CONSOLIDATED SOAH DOCKET NO. 473-19-1265  
CONSOLIDATED DOCKET NO. 48785**

<b>JOINT REPORT AND APPLICATION</b>	<b>§</b>	<b>BEFORE THE</b>
<b>OF ONCOR ELECTRIC DELIVERY</b>	<b>§</b>	
<b>COMPANY LLC, AEP TEXAS INC., AND</b>	<b>§</b>	
<b>LCRA TRANSMISSION SERVICES</b>	<b>§</b>	<b>STATE OFFICE OF</b>
<b>CORPORATION TO AMEND THEIR</b>	<b>§</b>	
<b>CERTIFICATES OF CONVENIENCE</b>	<b>§</b>	
<b>AND NECESSITY FOR 345-KV</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>
<b>TRANSMISSION LINES IN PECOS,</b>	<b>§</b>	
<b>REEVES, AND WARD COUNTIES,</b>	<b>§</b>	
<b>TEXAS (SAND LAKE TO SOLSTICE</b>	<b>§</b>	
<b>AND BAKERSFIELD TO SOLSTICE)</b>	<b>§</b>	

**BAKERSFIELD TO SOLSTICE PORTION  
(ROUTING PHASE)**

**DIRECT TESTIMONY OF ALBERT MENDOZA  
(REDACTED)**

**ON BEHALF OF  
OCCIDENTAL PERMIAN LTD.,  
OXY DELAWARE BASIN, LLC,  
OXY USA INC, OXY USA WTP LP,  
HOUNDSTOOTH RESOURCES, LLC,  
AND OCCIDENTAL WEST TEXAS  
OVERTHRUST, INC.**

**January 10, 2019**

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VI.	SUMMARY OF OXY'S ROUTING PREFERENCES .....	11
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## **EXHIBITS**

Exhibit AM-1: Affected Oxy Properties in the Study Zone, by Tract Number and Link

Exhibit AM-2: Master Map of Oxy Operations and Placement of Bakersfield to Solstice Transmission Line Project (HSPM)

1 and expanding its operations in the Honey Badger and Red Bull production areas, and  
2 particularly the portions of those areas underlying links D1, E1, and T.

3 **Q. HOW WOULD A TRANSMISSION LINE INTERFERE WITH OIL RECOVERY**  
4 **OPERATIONS?**

5 A. ~~Right-of-way clearing and restrictions on what can be placed in the right-of-way impact~~  
6 ~~Oxy's ability to efficiently develop its leases.~~ In addition, any Oxy facilities in close  
7 proximity to the proposed line will have to be maintained and worked periodically. The  
8 process for working a well involves bringing in large drilling equipment, which must be  
9 moved into position at the well sites. Having transmission towers too close to the wells  
10 can interfere with access, impede operations, and create safety concerns. Repairing and  
11 servicing the oil and gas facilities also requires the use of heavy and often tall equipment,  
12 such as cranes, which pose safety concerns if operated in close proximity to high voltage  
13 transmission lines. As a general rule, Oxy would prefer that the line not be constructed  
14 within 300 feet of any of Oxy's existing wells, and opposes any route that is within 150  
15 feet of its existing wells, as this would create health and safety concerns for Oxy, AEP, and  
16 LCRA-TSC personnel.

17 **Q. IS BUILDING A TRANSMISSION LINE DURING ACTIVE DRILLING ALSO A**  
18 **PROBLEM?**

19 A. Yes. Drilling wells involves building out critical infrastructure, including electrical  
20 distribution and pipeline infrastructure. In addition, moving oil and gas drilling equipment  
21 in and around transmission structures and lines can create substantial health and safety  
22 risks, which will require a great deal of coordination and will likely delay construction  
23 activities.

24 **Q. ARE THERE OTHER ISSUES ASSOCIATED WITH THE CONSTRUCTION**  
25 **PROCESS THAT WILL INTERFERE WITH OXY'S OPERATIONS?**

26 A. ~~Yes. In Oxy's experience, utilities building new transmission lines seek to de-energize~~  
27 ~~nearby transmission and distribution facilities during the construction process, and often~~  
28 ~~during maintenance once the line has been constructed. Transmission outages or, more~~  
29 ~~directly, outages on the distribution facilities serving Oxy's oil and gas facilities would~~

1 require Oxy to stop operations during the outage and would have adverse financial impacts  
2 on Oxy's operations.

3 **Q. IS OXY IN THE PROCESS OF EXPANDING ITS OPERATIONS AT ANY OF THE**  
4 **LEASES THAT WOULD BE IMPACTED BY THIS TRANSMISSION LINE?**

5 A. ~~Yes. Oxy has extensive exploration and production operations in the area and development~~  
6 ~~of those leases is ongoing, especially in the Honey Badger and Red Bull production areas~~  
7 ~~in the vicinity of links D1, E1, and T. Oxy is concerned that building a transmission line~~  
8 ~~through or near its properties will impede this ongoing development, which would have a~~  
9 ~~significant adverse economic impact.~~

10 **Q. PLEASE DESCRIBE THE DEVELOPMENT TIMELINE FOR OXY TO DRILL**  
11 **AN OIL AND GAS WELL IN WEST TEXAS.**

12 A. Oxy's operations can expand very quickly. While the exact development timeline varies  
13 from well to well, it generally takes Oxy between two and three weeks to conduct the  
14 surveying activities necessary to site a potential well, and an additional one to two weeks  
15 to obtain the necessary permits to drill that well. So Oxy can go from planning a well to  
16 having a drilling rig on site in approximately three to five weeks.

17 **Q. IN OXY'S EXPERIENCE, HOW DOES ITS DEVELOPMENT TIMELINE**  
18 **INTERACT WITH THE CONSTRUCTION AND DEVELOPMENT OF**  
19 **ELECTRIC TRANSMISSION LINES?**

20 A. Often, Oxy's development activity has changed significantly between the time a utility  
21 surveys a particular area during its routing study and when a CCN application is actually  
22 filed. Additionally, development is ongoing during the CCN proceeding, which means  
23 there may have been significant changes to a production area by the time a route is  
24 approved.

25 **Q. ARE THERE ECONOMIC COSTS IF OXY IS UNABLE TO DEVELOP OR**  
26 **PROPERLY MAINTAIN OIL WELLS AND RELATED PRODUCTION**  
27 **INFRASTRUCTURE?**

28 A. ~~Yes. Oxy will lose significant revenue and income if it cannot efficiently develop these~~  
29 ~~fields or maintain existing wells. Lost production does not just harm Oxy, but also has~~

1 ~~negative impacts for property owners entitled to royalties from Oxy's wells. There are also~~  
2 ~~both direct and indirect revenue impacts for the State of Texas, as impairing oil and gas~~  
3 ~~development deprives the state of additional taxes and has a negative overall impact on~~  
4 ~~jobs and economic development related to the oil and gas industry.~~

5 ~~While it is difficult to quantify an exact amount of economic loss, in this area, a single~~  
6 ~~productive well that cannot be developed or would have to be shut in because of a~~  
7 ~~transmission line (and where the oil cannot otherwise be produced) would result in lost~~  
8 ~~production of approximately \*\*\* [REDACTED] \*\*\* barrels of oil per day. At current oil prices, such~~  
9 ~~a loss would mean \*\*\* [REDACTED] \*\*\* in reduced revenue for Oxy over the course of a~~  
10 ~~year, which is even more substantial when considered over the life of a well that could~~  
11 ~~produce for over \*\*\* [REDACTED] \*\*\* years. Each well that is not drilled or cannot be efficiently~~  
12 ~~worked due to the transmission line also means fewer taxes paid to the State of Texas,~~  
13 ~~reduced royalties for the landowners, and a reduction in economic activity related to oil~~  
14 ~~drilling and production.~~

15 **IV. POTENTIAL IMPACTS TO OXY'S HONEY BADGER**  
16 **PRODUCTION AREA ALONG LINKS D1 AND E1**

17 **Q. PLEASE DESCRIBE OXY'S HONEY BADGER PRODUCTION AREA.**

18 A. Oxy's Honey Badger production area is a rapidly expanding unconventional oil recovery  
19 operation located on a large set of contiguous leases near Interstate 10 in the southeastern  
20 corner of the study area. Proposed links C1, D1, E1, and F1 would cross that production  
21 area. Figure AM-1 is an excerpt from Exhibit AM-2 that shows these proposed links  
22 overlaid on Oxy's Honey Badger production area (Oxy leases in yellow):

1 While link X also crosses the Red Bull production area, Oxy has determined that it could  
2 effectively mitigate the impact of link X on its operations. Accordingly, Oxy could accept  
3 a route that includes link X, including AEP/LCRA-TSC's suggested route 24.

4 **VI. SUMMARY OF OXY'S ROUTING PREFERENCES**

5 **Q. WHICH OF THE PROPOSED LINKS IN THE APPLICATION ARE**  
6 **PARTICULARLY PROBLEMATIC FOR OXY'S OIL & GAS OPERATIONS?**

7 A. Oxy's operations would be harmed the most by proposed links D1, E1 or T. Building the  
8 line along these links would have significant financial consequences not only for Oxy, but  
9 also for AEP and LCRA-TSC (and, ultimately, Texas ratepayers) due to the costs that  
10 would be required to condemn oil and gas interests. Additionally, as described above,  
11 conducting oil and gas operations in close proximity to a transmission line is dangerous,  
12 ~~and Oxy is actively working and expanding its operations near those links.~~

13 **Q. PLEASE DESCRIBE OXY'S PREFERENCES FOR ROUTING THIS PROPOSED**  
14 **TRANSMISSION LINE.**

15 A. Oxy opposes all routes that use one or more of proposed links D1, E1, or T ~~because those~~  
16 ~~links disproportionately harm Oxy by interfering with its rapidly expanding operations in~~  
17 ~~the Honey Badger or Red Bull production areas.~~<sup>7</sup> However, Oxy is willing to work with  
18 AEP, LCRA-TSC, and the Commission to develop a route that does not unduly burden  
19 Oxy or create safety concerns for Oxy, AEP, or LCRA-TSC personnel.

20 Oxy is willing to accept the line along AEP and LCRA-TSC's recommended route 24, or  
21 any other route that does not involve links D1, E1, or T.<sup>8</sup> While any route that the  
22 Commission selects will impact Oxy's operations in the study area, Oxy has determined  
23 that it could effectively mitigate the impact of any proposed link other than links D1, E1,  
24 or T.

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<sup>7</sup> Oxy strongly opposes routes 8, 9, 11, 18, 20, 21, 22, and 25.

<sup>8</sup> Oxy is willing to accept any of routes 1-7, 10, 12-17, 19, 23, and 24.